

JOBS FOR VETERANS ACT

MAY 20, 2002.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SMITH of New Jersey, from the Committee on Veterans' Affairs, submitted the following

R E P O R T

[To accompany H.R. 4015]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 4015) to amend title 38, United States Code, to revise and improve employment, training, and placement services furnished to veterans, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE; TABLE OF CONTENTS.

- (a) **SHORT TITLE.**—This Act may be cited as the “Jobs for Veterans Act”.
- (b) **REFERENCES TO TITLE 38, UNITED STATES CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.
- (c) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

- Sec. 1. Short title; references to title 38, United States Code.
Sec. 2. Priority of service for veterans in Department of Labor job training programs.
Sec. 3. Performance incentive awards for quality veterans employment, training, and placement services.
Sec. 4. Refinement of job training and placement functions of the Department.
Sec. 5. Additional improvements in veterans employment and training services.
Sec. 6. Committee to raise employer awareness of skills of veterans and benefits of hiring veterans.
Sec. 7. Sense of Congress commending veterans and military service organizations.
Sec. 8. Study on economic benefits to the United States of long-term sustained employment of veterans.

SEC. 2. PRIORITY OF SERVICE FOR VETERANS IN DEPARTMENT OF LABOR JOB TRAINING PROGRAMS.

- (a) **VETERANS' JOB TRAINING ASSISTANCE.**—

(1) **IN GENERAL.**—Chapter 42 is amended by adding at the end the following new section:

99-006

“§ 4215. Priority of service for veterans in Department of Labor job training programs

“(a) DEFINITIONS.—In this section:

“(1) The term ‘covered person’ means any of the following individuals:

“(A) A veteran.

“(B) The spouse of any of the following individuals:

“(i) Any veteran who died of a service-connected disability.

“(ii) Any member of the Armed Forces serving on active duty who, at the time of application for assistance under this section, is listed, pursuant to section 556 of title 37 and regulations issued thereunder, by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than 90 days: (I) missing in action, (II) captured in line of duty by a hostile force, or (III) forcibly detained or interned in line of duty by a foreign government or power.

“(iii) Any veteran who has a total disability resulting from a service-connected disability.

“(iv) Any veteran who died while a disability so evaluated was in existence.

“(2) The term ‘qualified job training program’ means any workforce preparation, development, or delivery program or service that is directly funded, in whole or in part, by the Department of Labor and includes the following:

“(A) Any such program or service that uses technology to assist individuals to access workforce development programs (such as job and training opportunities, labor market information, career assessment tools, and related support services).

“(B) Any such program or service under the public employment service system, one-stop career centers, the Workforce Investment Act of 1998, a demonstration or other temporary program, and those programs implemented by States or local service providers based on Federal block grants administered by the Department of Labor.

“(C) Any such program or service that is a workforce development program targeted to specific groups.

“(3) The term ‘priority of service’ means, with respect to any qualified job training program, that a covered person shall be given priority over nonveterans for the receipt of employment, training, and placement services provided under that program, notwithstanding any other provision of law.

“(b) ENTITLEMENT TO PRIORITY OF SERVICE.—(1) A covered person is entitled to priority of service under any qualified job training program if the person otherwise meets the eligibility requirements for participation in such program.

“(2) The Secretary of Labor may establish priorities among covered persons for purposes of this section to take into account the needs of disabled veterans and special disabled veterans, and such other factors as the Secretary determines appropriate.

“(c) ADMINISTRATION OF PROGRAMS AT STATE AND LOCAL LEVELS.—An entity of a State or a political subdivision of the State that administers or delivers services under a qualified job training program shall—

“(1) provide information and priority of service to covered persons regarding benefits and services that may be obtained through other entities or service providers; and

“(2) ensure that each covered person who applies to or who is assisted by such a program is informed of the employment-related rights and benefits to which the person is entitled under this section.

“(d) ADDITION TO ANNUAL REPORT.—In the annual report required under section 4107(c) of this title for the program year beginning in 2002 and each subsequent program year, the Secretary of Labor shall evaluate whether covered persons are receiving priority of service and are being fully served by qualified job training programs, and whether the levels of service of such programs are in proportion to the incidence of representation of veterans in the labor market, including within groups that the Secretary may designate for priority under such programs, if any.”

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 42 is amended by inserting after the item relating to section 4214 the following new item:

“4215. Priority of service for veterans in Department of Labor job training programs.”.

(b) EMPLOYMENT OF VETERANS WITH RESPECT TO FEDERAL CONTRACTS.—

(1) IN GENERAL.—Section 4212(a) is amended to read as follows:

“(a)(1) Any contract in the amount of \$100,000 or more entered into by any department or agency of the United States for the procurement of personal property and nonpersonal services (including construction) for the United States, shall con-

tain a provision requiring that the party contracting with the United States take affirmative action to employ and advance in employment qualified covered veterans. This section applies to any subcontract entered into by a prime contractor in carrying out any such contract.

“(2) In addition to requiring affirmative action to employ such qualified covered veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the Secretary of Labor shall prescribe regulations requiring that—

“(A) each such contractor for each such contract shall immediately list all of its employment openings with the appropriate employment service delivery system (as defined in section 4101(7) of this title), and may also list such openings with one-stop career centers under the Workforce Investment Act of 1998, other appropriate service delivery points, or America’s Job Bank (or any additional or subsequent national electronic job bank established by the Department of Labor), except that the contractor may exclude openings for executive and senior management positions and positions which are to be filled from within the contractor’s organization and positions lasting three days or less;

“(B) each such employment service delivery system shall give such qualified covered veterans priority in referral to such employment openings; and

“(C) each such employment service delivery system shall provide a list of such employment openings to States, political subdivisions of States, or any private entities or organizations under contract to carry out employment, training, and placement services under chapter 41 of this title.

“(3) In this section:

“(A) The term ‘covered veteran’ means any of the following veterans:

“(i) Disabled veterans.

“(ii) Veterans who served on active duty in the Armed Forces during a war or in a campaign or expedition for which a campaign badge has been authorized.

“(iii) Veterans who, while serving on active duty in the Armed Forces, participated in a United States military operation for which an Armed Forces service medal was awarded pursuant to Executive Order 12985 (61 Fed. Reg. 1209).

“(iv) Recently separated veterans.

“(B) The term ‘qualified’, with respect to an employment position, means having the ability to perform the essential functions of the position with or without reasonable accommodation for an individual with a disability.”.

(2) CONFORMING AND TECHNICAL AMENDMENTS.—(A) Section 4212(c) is amended—

(i) by striking “suitable”; and

(ii) by striking “subsection (a)(2) of this section” and inserting “subsection (a)(2)(B)”.

(B) Section 4212(d)(1) is amended—

(i) in the matter preceding subparagraph (A), by striking “of this section” after “subsection (a)”; and

(ii) by amending subparagraphs (A) and (B) to read as follows:

“(A) the number of employees in the workforce of such contractor, by job category and hiring location, and the number of such employees, by job category and hiring location, who are qualified covered veterans;

“(B) the total number of new employees hired by the contractor during the period covered by the report and the number of such employees who are qualified covered veterans; and”.

(C) Section 4212(d)(2) is amended by striking “of this subsection” after “paragraph (1)”.

(D) Section 4211(6) is amended by striking “one-year period” and inserting “three-year period”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to contracts entered into on or after the first day of the first month that begins 12 months after the date of the enactment of this Act.

(c) EMPLOYMENT WITHIN THE FEDERAL GOVERNMENT.—

(1) PURPOSE.—The second sentence of section 4214(a)(1) is amended—

(A) by inserting “, competent” after “effective”; and

(B) by striking “major” and inserting “uniquely qualified”.

(2) APPOINTMENTS.—Section 4214(b) is amended—

(A) in paragraph (1), by striking “readjustment” and inserting “recruitment”;

(B) in paragraph (2), by striking “to—” and all that follows through the period at the end and inserting “to qualified covered veterans.”;

(C) in paragraph (3)—

- (i) by striking subparagraphs (A) and (B);
- (ii) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively,
- (iii) in subparagraph (B), as so redesignated, by striking “The limitations of subparagraphs (A) and (B) of this paragraph” and inserting “The limitation of subparagraph (A)”;
- (iv) in subparagraph (C), as so redesignated, by striking “clause (i) of subparagraphs (A) and (B) of this paragraph” and inserting “subparagraph (A)”; and
- (v) by inserting before subparagraph (B), as so redesignated, the following new subparagraph:

“(A) Except as provided in subparagraph (B), a qualified covered veteran may receive such an appointment only within the 10-year period that begins on the date of the veteran’s last discharge or release from active duty.”.

(3) TECHNICAL AMENDMENTS.—(A) Section 4214(a) is amended—

- (i) in the third sentence of paragraph (1), by striking “disabled veterans and certain veterans of the Vietnam era and of the post-Vietnam era” and inserting “qualified covered veterans (as defined in paragraph (2)(B))”; and
- (ii) in paragraph (2), to read as follows:

“(2) In this section:

“(A) The term ‘agency’ has the meaning given the term ‘department or agency’ in section 4211(5) of this title.

“(B) The term ‘qualified covered veteran’ means a veteran described in section 4212(a)(3) of this title.”.

“(B) Clause (i) of section 4214(e)(2)(B) is amended by striking “of the Vietnam era”.

“(C) Section 4214(g) is amended by striking “qualified” the first place it occurs and all that follows through “era” the first place it occurs and inserting “qualified covered veterans”.

SEC. 3. PERFORMANCE INCENTIVE AWARDS FOR QUALITY VETERANS EMPLOYMENT, TRAINING, AND PLACEMENT SERVICES.

(a) PERFORMANCE INCENTIVE AWARDS FOR QUALITY EMPLOYMENT, TRAINING, AND PLACEMENT SERVICES.—

(1) IN GENERAL.—Chapter 41 is amended by adding at the end the following new section:

“§ 4112. Performance incentive awards for quality employment, training, and placement services

“(a) PROGRAM OF PERFORMANCE INCENTIVE AWARDS.—(1) The Secretary shall carry out a program, consistent with the provisions of this section, of performance incentive awards to States to encourage the improvement and modernization of employment, training, and placement services provided under this chapter. The Secretary shall carry out the program through the Assistant Secretary of Labor for Veterans’ Employment and Training.

“(2) The Secretary shall make performance incentive awards for each program year, beginning with the program year that begins in fiscal year 2004, with respect to services provided under this chapter during the preceding program year.

“(b) CRITERIA FOR ELIGIBILITY FOR AWARDS.—The Secretary shall establish criteria for eligibility for performance incentive awards for purposes of this section in consultation with representatives of States, political subdivisions of States, and other providers of employment, training, and placement services under the Workforce Investment Act of 1998 consistent with the performance measures established under section 4102A(b)(7) of this title.

“(c) DETERMINATION OF AMOUNT OF AWARD.—(1) The Secretary shall determine the amount of performance incentive awards in a State under this section by measuring the performance of the State in providing employment, training, and placement services furnished veterans and eligible persons in each State through employment service delivery systems, through disabled veterans’ outreach program specialists, and through local veterans’ employment representatives during the previous program year based on the measures of performance established under section 4102A(b)(7) of this title.

“(2) In determining the amount of awards under paragraph (1), the Secretary shall—

“(A) provide greater amounts to those States which the Secretary determines furnished, during the preceding fiscal year, the highest quality employment, training, and placement services based on measures of performance;

“(B) provide awards to those States that have made significant improvements in the delivery of such services, as determined by the Secretary, but do not meet the criteria under subparagraph (A); and

“(C) consider the applicable annual unemployment data for the State and other factors, such as prevailing economic conditions, that affect performance of individuals providing employment, training, and placement services in the State.

“(d) USE OF AWARD.—Amounts received by a State under this section may be used—

“(1) to hire additional State veterans employment and training staff; or

“(2) for such other purposes related to the provision of employment, placement, and training services as the Secretary may approve for such services furnished under this chapter to veterans and eligible persons.

“(e) RELATIONSHIP OF AWARD TO GRANT AMOUNTS OR OTHER COMPENSATION.—A performance incentive award under this section is in addition to amounts made available to a State under section 4102A(b)(5) of this title.

“(f) AVAILABILITY FOR OBLIGATION.—Amounts received in a performance incentive award under this section may be obligated by the State during the program year in which the award was received and the subsequent program year.

“(g) APPROPRIATIONS.—The Secretary shall carry out the program under this section from amounts appropriated pursuant to the authorization under section 4106(b)(2) of this title. Such amounts shall only be available to carry out the program under this section.”

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 41 is amended by adding at the end the following new item:

“4112. Performance incentive awards for quality employment, training, and placement services.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 4106(b) is amended—

(1) by inserting “(1)” after “(b)”; and

(2) by adding at the end the following new paragraph:

“(2) In addition to amounts authorized to be appropriated under paragraph (1), there are authorized to be appropriated to the Secretary to carry out the program of performance incentive awards under section 4112 of this title the following:

“(A) For the program year beginning during fiscal year 2004, \$10,000,000.

“(B) For the program year beginning during fiscal year 2005, \$25,000,000.

“(C) For the program year beginning during fiscal year 2006, \$50,000,000.

“(D) For the program year beginning during fiscal year 2007, \$75,000,000.

“(E) For the program year beginning during fiscal year 2008, \$100,000,000.

“(F) For the program year beginning during fiscal year 2009 and each subsequent fiscal year, such sums as are necessary.”.

SEC. 4. REFINEMENT OF JOB TRAINING AND PLACEMENT FUNCTIONS OF THE DEPARTMENT.

(a) REVISION OF DEPARTMENT LEVEL SENIOR OFFICIALS AND FUNCTIONS.—

(1) IN GENERAL.—Sections 4102A and 4103 are amended to read as follows:

“§ 4102A. Assistant Secretary of Labor for Veterans’ Employment and Training; program functions; Regional Administrators

“(a) ESTABLISHMENT OF POSITION OF ASSISTANT SECRETARY OF LABOR FOR VETERANS’ EMPLOYMENT AND TRAINING.—(1) There is established within the Department of Labor an Assistant Secretary of Labor for Veterans’ Employment and Training, appointed by the President by and with the advice and consent of the Senate, who shall formulate and implement all departmental policies and procedures to carry out (A) the purposes of this chapter, chapter 42, and chapter 43 of this title, and (B) all other Department of Labor employment, unemployment, and training programs to the extent they affect veterans. The Assistant Secretary of Labor for Veterans’ Employment and Training shall be a veteran.

“(2) The employees of the Department of Labor administering chapter 43 of this title shall be administratively and functionally responsible to the Assistant Secretary of Labor for Veterans’ Employment and Training.

“(3)(A) There shall be within the Department of Labor a Deputy Assistant Secretary of Labor for Veterans’ Employment and Training. The Deputy Assistant Secretary shall perform such functions as the Assistant Secretary of Labor for Veterans’ Employment and Training prescribes. The Deputy Assistant Secretary shall be a veteran.

“(B) No individual may be appointed as a Deputy Assistant Secretary of Labor for Veterans’ Employment and Training unless the individual has at least five years of continuous service in the Federal civil service in the executive branch immediately preceding appointment as the Deputy Assistant Secretary. For purposes of determining such continuous service of an individual, there shall be excluded any service by the individual in a position—

“(i) of a confidential, policy-determining, policy-making, or policy-advocating character;

“(ii) in which the individual served as a noncareer appointee in the Senior Executive Service, as such term is defined in section 3132(a)(7) of title 5; or

“(iii) to which the individual was appointed by the President.

“(b) PROGRAM FUNCTIONS.—The Secretary shall carry out the following functions:

“(1) Except as expressly provided otherwise, carry out all provisions of this chapter and chapter 43 of this title through the Assistant Secretary of Labor for Veterans’ Employment and Training and administer through such Assistant Secretary all programs under the jurisdiction of the Secretary for the provision of employment and training services designed to meet the needs of all veterans and persons eligible for services furnished under this chapter.

“(2) In order to make maximum use of available resources in meeting such needs, encourage all such programs, and all grantees and contractors under such programs to enter into cooperative arrangements with private industry and business concerns (including small business concerns owned by veterans or disabled veterans), educational institutions, trade associations, and labor unions.

“(3) Ensure that maximum effectiveness and efficiency are achieved in providing services and assistance to eligible veterans under all such programs by coordinating and consulting with the Secretary of Veterans Affairs with respect to (A) programs conducted under other provisions of this title, with particular emphasis on coordination of such programs with readjustment counseling activities carried out under section 1712A of this title, apprenticeship or other on-the-job training programs carried out under section 3687 of this title, and rehabilitation and training activities carried out under chapter 31 of this title and (B) determinations covering veteran population in a State.

“(4) Ensure that employment, training, and placement activities are carried out in coordination and cooperation with appropriate State public employment service officials.

“(5) Subject to subsection (c), make available for use in each State by grant or contract such funds as may be necessary to support—

“(A) disabled veterans’ outreach program specialists appointed under section 4103A(a)(1) of this title,

“(B) local veterans’ employment representatives assigned under section 4104(b) of this title, and

“(C) the reasonable expenses of such specialists and representatives described in subparagraphs (A) and (B), respectively, for training, travel, supplies, and other business expenses, including travel expenses and per diem for attendance at the National Veterans’ Employment and Training Services Institute established under section 4109 of this title.

“(6) Monitor and supervise on a continuing basis the distribution and use of funds provided for use in the States under paragraph (5).

“(7) Establish, and update as appropriate, a comprehensive performance accountability system (as described in subsection (f)) and carry out annual performance reviews of veterans employment, training, and placement services provided through employment service delivery systems, through disabled veterans’ outreach program specialists, and through local veterans’ employment representatives in States receiving grants, contracts, or awards under this chapter.

“(c) CONDITIONS FOR RECEIPT OF FUNDS.—(1) The distribution and use of funds under subsection (b)(5) in order to carry out sections 4103A(a) and 4104(a) of this title shall be subject to the continuing supervision and monitoring of the Secretary and shall not be governed by the provisions of any other law, or any regulations prescribed thereunder, that are inconsistent with this section or section 4103A or 4104 of this title.

“(2)(A) A State shall submit to the Secretary an application for a grant or contract under subsection (b)(5). The application shall contain the following information:

“(i) A plan that describes the manner in which the State shall furnish employment, training, and placement services required under this chapter for the program year, including a description of—

“(I) duties assigned by the State to disabled veterans’ outreach program specialists and local veterans’ employment representatives consistent with the requirements of sections 4103A and 4104 of this title; and

“(II) the manner in which such specialists and representatives are integrated in the employment service delivery systems in the State.

“(ii) The veteran population to be served.

“(iii) Such additional information as the Secretary may require to make a determination with respect to awarding a grant or contract to the State.

“(B)(i) Subject to the succeeding provisions of this subparagraph, of the amount available under subsection (b)(5) for a fiscal year, the Secretary shall make available to each State with an application approved by the Secretary an amount of funding

in proportion to the number of veterans seeking employment using such criteria as the Secretary may establish in regulation, including civilian labor force and unemployment data, for the State on an annual basis. The proportion of funding shall reflect the ratio of—

“(I) the total number of veterans residing in the State that are seeking employment; to

“(II) the total number of veterans seeking employment in all States.

“(ii) The Secretary shall phase in over the three fiscal-year period that begins on October 1, 2002, the manner in which amounts are made available to States under subsection (b)(5) and this subsection, as amended by the Jobs for Veterans Act.

“(iii) In carrying out this paragraph, the Secretary may establish minimum funding levels and hold-harmless criteria for States.

“(3)(A) As a condition of a grant or contract under this section for a program year, in the case of a State that the Secretary determines has an entered-employment rate for veterans that is deficient for the preceding program year, the State shall develop and implement a corrective action plan to improve that rate for veterans in the State. The State shall submit the corrective action plan to the Secretary.

“(B) To carry out subparagraph (A), the Secretary shall establish in regulations a uniform national threshold entered-employment rate for veterans for a program year by which determinations of deficiency may be made under subparagraph (A).

“(C) In making a determination with respect to a deficiency under subparagraph (A), the Secretary shall take into account the applicable annual unemployment data for the State and consider other factors, such as prevailing economic conditions, that affect performance of individuals providing employment, training, and placement services in the State.

“(4) In determining the terms and conditions of a grant or contract under which funds are made available to a State in order to carry out section 4103A or 4104 of this title, the Secretary shall take into account—

“(A) the results of reviews, carried out pursuant to subsection (b)(7), of the performance of the employment, training, and placement service delivery system in the State, and

“(B) the monitoring carried out under this section.

“(5) Each grant or contract by which funds are made available to a State shall contain a provision requiring the recipient of the funds—

“(A) to comply with the provisions of this chapter; and

“(B) on an annual basis, to notify to Secretary of, and provide supporting rationale for, each nonveteran who is employed as a disabled veterans’ outreach program specialist and local veterans’ employment representative for a period in excess of 6 months.

“(6) Each State shall coordinate employment, training, and placement services furnished to veterans and eligible persons under this chapter with such services furnished with respect to such veterans and persons under the Workforce Investment Act of 1998 and the Wagner-Peyser Act.

“(d) PARTICIPATION IN OTHER FEDERALLY FUNDED JOB TRAINING PROGRAMS.—The Assistant Secretary of Labor for Veterans’ Employment and Training shall promote and monitor participation of qualified veterans and eligible persons in employment and training opportunities under title I of the Workforce Investment Act of 1998 and other federally funded employment and training programs.

“(e) REGIONAL ADMINISTRATORS.—(1) The Secretary shall assign to each region for which the Secretary operates a regional office a representative of the Veterans’ Employment and Training Service to serve as the Regional Administrator for Veterans’ Employment and Training in such region. A person may not be assigned after October 9, 1996, as such a Regional Administrator unless the person is a veteran.

“(2) Each such Regional Administrator shall carry out such duties as the Secretary may require to promote veterans employment and reemployment within the region that the Administrator serves.

“(f) ESTABLISHMENT OF PERFORMANCE STANDARDS AND OUTCOMES MEASURES.—(1) By not later than 3 months after the date of the enactment of this section, the Assistant Secretary of Labor for Veterans’ Employment and Training shall establish and implement a comprehensive performance accountability system to measure the performance of employment service delivery systems, disabled veterans’ outreach program specialists, and local veterans’ employment representatives providing employment, training, and placement services under this chapter in a State to provide accountability of that State to the Secretary for purposes of subsection (c).

“(2) Such standards and measures shall—

“(A) be consistent with State performance measures applicable under section 136(b) of the Workforce Investment Act of 1998; and

“(B) be appropriately weighted to provide special consideration for placement of (i) veterans requiring intensive services (as defined in section 4101(9) of this

title), such as special disabled veterans and disabled veterans, and (ii) veterans who enroll in readjustment counseling under section 1712A of this title.

“§ 4103. Directors and Assistant Directors for Veterans’ Employment and Training; additional Federal personnel

“(a) DIRECTORS AND ASSISTANT DIRECTORS.—(1) The Secretary shall assign to each State a representative of the Veterans’ Employment and Training Service to serve as the Director for Veterans’ Employment and Training, and shall assign full-time Federal clerical or other support personnel to each such Director.

“(2) Full-time Federal clerical or other support personnel assigned to Directors for Veterans’ Employment and Training shall be appointed in accordance with the provisions of title 5 governing appointments in the competitive service and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5.

“(b) ADDITIONAL FEDERAL PERSONNEL.—The Secretary may also assign as supervisory personnel such representatives of the Veterans’ Employment and Training Service as the Secretary determines appropriate to carry out the employment, training, and placement services required under this chapter, including Assistant Directors for Veterans’ Employment and Training.”.

(2) CLERICAL AMENDMENTS.—The items relating to sections 4102A and 4103, respectively, in the table of sections at the beginning of chapter 41 are amended to read as follows:

“4102A. Assistant Secretary of Labor for Veterans’ Employment and Training; program functions; Regional Administrators.

“4103. Directors and Assistant Directors for Veterans’ Employment and Training; additional Federal personnel.”.

(3) CONFORMING AMENDMENT RELATING TO PERFORMANCE STANDARDS.—(A)(i) Section 4104A is repealed.

(ii) The table of sections at the beginning of chapter 41 is amended by striking the item relating to section 4104A.

(B) Section 4107(b) is amended by striking “The Secretary shall establish definitive performance standards” and inserting “The Secretary shall apply performance standards established under section 4102A(f) of this title”.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on December 1, 2002, and shall apply to appointments made on or after that date.

(b) REVISION OF STATUTORILY DEFINED DUTIES OF DISABLED VETERANS’ OUTREACH PROGRAM SPECIALISTS AND LOCAL VETERANS’ EMPLOYMENT REPRESENTATIVES.—

(1) DISABLED VETERANS’ OUTREACH PROGRAM SPECIALISTS.—Section 4103A is amended by striking all after the heading and inserting the following:

“(a) REQUIREMENT FOR EMPLOYMENT BY STATES OF A SUFFICIENT NUMBER OF SPECIALISTS.—(1) Subject to approval by the Secretary, a State shall employ such full- or part-time disabled veterans’ outreach program specialists as the State determines appropriate and efficient to carry out intensive services under this chapter to meet the employment needs of eligible veterans with the following priority in the provision of services:

“(A) Special disabled veterans.

“(B) Other disabled veterans.

“(C) Other eligible veterans in accordance with priorities determined by the Secretary taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of this title.

“(2) In the provision of services in accordance with this subsection, maximum emphasis in meeting the employment needs of veterans shall be placed on assisting economically or educationally disadvantaged veterans.

“(b) REQUIREMENT FOR QUALIFIED VETERANS.—A State shall, to the maximum extent practicable, employ qualified veterans to carry out the services referred to in subsection (a). Preference shall be given in the appointment of such specialists to qualified disabled veterans.”.

(2) LOCAL VETERANS’ EMPLOYMENT REPRESENTATIVES.—Section 4104 is amended by striking all after the heading and inserting the following:

“(a) REQUIREMENT FOR EMPLOYMENT BY STATES OF A SUFFICIENT NUMBER OF REPRESENTATIVES.—Subject to approval by the Secretary, a State shall employ such full- and part-time local veterans’ employment representatives as the State determines appropriate and efficient to carry out employment, training, and placement services under this chapter.

“(b) PRINCIPAL DUTIES.—As principal duties, local veterans’ employment representatives shall—

“(1) conduct outreach to employers in the area to assist veterans in gaining employment, including conducting seminars for employers and, in conjunction

with employers, conducting job search workshops and establishing job search groups; and

“(2) facilitate employment, training, and placement services furnished to veterans in a State under the applicable State employment service delivery systems.

“(c) PREFERENCE FOR QUALIFIED VETERANS.—A State shall, to the maximum extent practicable, employ qualified veterans to carry out the services referred to in subsection (a).

“(d) REPORTING.—Each local veterans’ employment representative shall be administratively responsible to the manager of the employment service delivery system and shall provide reports, not less frequently than quarterly, to the manager of such office and to the Director for Veterans’ Employment and Training for the State regarding compliance with Federal law and regulations with respect to special services and priorities for eligible veterans and eligible persons.”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on December 1, 2002, and shall apply to appointments made on or after that date.

(c) REQUIREMENT TO PROMPTLY ESTABLISH ONE-STOP EMPLOYMENT SERVICES.—By not later than 18 months after the date of the enactment of this Act, the Secretary of Labor shall provide one-stop services and assistance to covered persons electronically by means of the Internet, as defined in section 231(e)(3) of the Communications Act of 1934, and such other electronic means to enhance the delivery of such services and assistance.

(d) REQUIREMENT FOR BUDGET LINE ITEM FOR TRAINING SERVICES INSTITUTE.—

(1) IN GENERAL.—The last sentence of section 4106(a) is amended to read as follows: “Each budget submission with respect to such funds shall include a separate listing of the amount for the National Veterans’ Employment and Training Services Institute together with information demonstrating the compliance of such budget submission with the funding requirements specified in the preceding sentence.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act, and apply to budget submissions for fiscal year 2004 and each subsequent fiscal year.

(e) CONFORMING AMENDMENTS.—(1) Section 4107(c)(5) is amended by striking “(including the need” and all that follows through “representatives”).

(2) Section 3117(a)(2)(B) is amended to read as follows:

“(B) utilization of employment, training, and placement services under chapter 41 of this title; and”.

SEC. 5. ADDITIONAL IMPROVEMENTS IN VETERANS EMPLOYMENT AND TRAINING SERVICES.

(a) INCLUSION OF INTENSIVE SERVICES.—

(1) IN GENERAL.—(A) Section 4101 is amended by adding at the end the following new paragraph:

“(9) The term ‘intensive services’ means local employment and training services of the type described in section 134(d)(3) of the Workforce Investment Act of 1998.”.

(B) Section 4102 is amended by striking “job and job training counseling service program,” and inserting “job and job training intensive services program,”.

(C) Section 4106(a) is amended by striking “proper counseling” and inserting “proper intensive services”.

(D) Section 4107(a) is amended by striking “employment counseling services” and inserting “intensive services”.

(E) Section 4107(c)(1) is amended by striking “the number counseled” and inserting “the number who received intensive services”.

(F) Section 4109(a) is amended by striking “counseling,” each place it appears and inserting “intensive services,”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date of the enactment of this Act.

(b) ADDITIONAL VETS DUTY TO IMPLEMENT TRANSITIONS TO CIVILIAN CAREERS.—

(1) IN GENERAL.—(A) Section 4102 is amended by striking the period and inserting “, including programs carried out by the Veterans’ Employment and Training Service to implement all efforts to ease the transition of servicemembers to civilian careers that are consistent with, or an outgrowth of, the military experience of the servicemembers.”.

(B) Such section is further amended by striking “and veterans of the Vietnam era” and inserting “and veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date of the enactment of this Act.

(c) MODERNIZATION OF EMPLOYMENT SERVICE DELIVERY POINTS TO INCLUDE TECHNOLOGICAL INNOVATIONS.—

(1) IN GENERAL.—Section 4101(7) is amended to read as follows:

“(7) The term ‘employment service delivery system’ means a service delivery system at which or through which labor exchange services, including employment, training, and placement services, are offered in accordance with the Wagner-Peyser Act.”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date of the enactment of this Act.

(d) INCREASE IN ACCURACY OF REPORTING SERVICES FURNISHED TO VETERANS.—

(1) IN GENERAL.—(A) Section 4107(c)(1) is amended—

(i) by striking “veterans of the Vietnam era,”; and

(ii) by striking “and eligible persons who registered for assistance with” and inserting “eligible persons, recently separated veterans (as defined in section 4211(6) of this title), and servicemembers transitioning to civilian careers who registered for assistance with, or who are identified as veterans by”.

(B) Section 4107(c)(2) is amended—

(i) by striking “the job placement rate” the first place it appears and inserting “the rate of entered employment (as determined in a manner consistent with State performance measures applicable under section 136(b) of the Workforce Investment Act of 1998)”; and

(ii) by striking “the job placement rate” the second place it appears and inserting “such rate of entered employment (as so determined)”.

(C) Section 4107(c)(4) is amended by striking “sections 4103A and 4104” and inserting “section 4212(d)”.

(D) Section 4107(c) is amended—

(i) by striking “and” at the end of paragraph (4);

(ii) by striking the period at the end of paragraph (5) and inserting “; and”; and

(iii) by adding at the end the following new paragraph:

“(6) a report on the operation during the preceding program year of the program of performance incentive awards for quality employment services under section 4112 of this title, including an analysis of the amount of incentives distributed to each State and the rationale for such distribution.”.

(E) Section 4107(b), as amended by section 4(a)(3)(B), is further amended by striking the second sentence and inserting the following: “Not later than February 1 of each year, the Secretary shall report to the Committees on Veterans’ Affairs of the Senate and the House of Representatives on the performance of States and organizations and entities carrying out employment, training, and placement services under this chapter, as measured under subsection (b)(7) of section 4102A of this title. In the case of a State that the Secretary determines has not met the minimum standard of performance (established by the Secretary under subsection (f) of such section), the Secretary shall include an analysis of the extent and reasons for the State’s failure to meet that minimum standard, together with the State’s plan for corrective action during the succeeding year”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to reports for program years beginning on or after July 1, 2002.

(e) CLARIFICATION OF AUTHORITY OF NVETSI TO PROVIDE TRAINING FOR PERSONNEL OF OTHER DEPARTMENTS AND AGENCIES.—Section 4109 is amended by adding at the end the following new subsection:

“(c)(1) Nothing in this section shall be construed as preventing the Institute to enter into contracts or agreements with departments or agencies of the United States or of a State, or with other organizations, to carry out training of personnel of such departments, agencies, or organizations in the provision of services referred to in subsection (a).

“(2) All proceeds collected by the Institute under a contract or agreement referred to in paragraph (1) shall be applied to the applicable appropriation.”.

SEC. 6. COMMITTEE TO RAISE EMPLOYER AWARENESS OF SKILLS OF VETERANS AND BENEFITS OF HIRING VETERANS.

(a) ESTABLISHMENT OF COMMITTEE.—There is established within the Department of Labor a committee to be known as the President’s National Hire Veterans Committee (hereinafter in this section referred to as the “Committee”).

(b) DUTIES.—The Committee shall establish and carry out a national program to do the following:

(1) To furnish information to employers with respect to the training and skills of veterans and disabled veterans, and the advantages afforded employers by hiring veterans with such training and skills.

- (2) To facilitate employment of veterans and disabled veterans through participation in America's Career Kit national labor exchange, and other means.
- (c) MEMBERSHIP.—(1) The Secretary of Labor shall appoint 15 individuals to serve as members of the Committee, of whom one shall be appointed from among representatives nominated by each organization described in subparagraph (A) and of whom eight shall be appointed from among representatives nominated by organizations described in subparagraph (B).
- (A) Organizations described in this subparagraph are the following:
- (i) The Ad Council.
 - (ii) The National Committee for Employer Support of the Guard and Reserve.
 - (iii) Veterans' service organizations that have a national employment program.
 - (iv) State employment security agencies.
 - (v) One-stop career centers.
 - (vi) State departments of veterans affairs.
 - (vii) Military service organizations.
- (B) Organizations described in this subparagraph are such businesses, small businesses, industries, companies in the private sector that furnish placement services, civic groups, workforce investment boards, and labor unions as the Secretary of Labor determines appropriate.
- (2) The following shall be ex officio, nonvoting members of the Committee:
- (A) The Secretary of Veterans Affairs.
 - (B) The Secretary of Defense.
 - (C) The Assistant Secretary of Labor for Veterans' Employment and Training.
 - (D) The Administrator of the Small Business Administration.
 - (E) The Postmaster General.
 - (F) The Director of the Office of Personnel Management.
- (3) A vacancy in the Committee shall be filled in the manner in which the original appointment was made.
- (d) ADMINISTRATIVE MATTERS.—(1) The Committee shall meet not less frequently than once each calendar quarter.
- (2) The Secretary of Labor shall appoint the chairman of the Committee.
- (3)(A) Members of the Committee shall serve without compensation.
- (B) Members of the Committee shall be allowed reasonable and necessary travel expenses, including per diem in lieu of subsistence, at rates authorized for persons serving intermittently in the Government service in accordance with the provisions of subchapter I of chapter 57 of title 5 while away from their homes or regular places of business in the performance of the responsibilities of the Committee.
- (4) The Secretary of Labor shall provide staff and administrative support to the Committee to assist it in carrying out its duties under this section. The Secretary shall assure positions on the staff of the Committee include positions that are filled by individuals that are now, or have ever been, employed as one of the following:
- (A) Staff of the Assistant Secretary of Labor for Veterans' Employment and Training under section 4102A of title 38, United States Code as in effect on the date of the enactment of this Act.
 - (B) Directors for Veterans' Employment and Training under section 4103 of such title as in effect on such date.
 - (C) Assistant Director for Veterans' Employment and Training under such section as in effect on such date.
 - (D) Disabled veterans' outreach program specialists under section 4103A of such title as in effect on such date.
 - (E) Local veterans' employment representatives under section 4104 of such title as in effect on such date.
- (5) Upon request of the Committee, the head of any Federal department or agency may detail, on a nonreimbursable basis, any of the personnel of that department or agency to the Committee to assist it in carrying out its duties.
- (6) The Committee may contract with and compensate government and private agencies or persons to furnish information to employers under subsection (b)(1) without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).
- (e) REPORT.—Not later than December 31, 2003, 2004, and 2005, the Secretary of Labor shall submit to Congress a report on the activities of the Committee under this section during the previous fiscal year, and shall include in such report data with respect to placement and retention of veterans in jobs attributable to the activities of the Committee.
- (f) TERMINATION.—The Committee shall terminate 60 days after submitting the report that is due on December 31, 2005.
- (g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Labor from the employment security administration account (es-

established in section 901 of the Social Security Act (42 U.S.C. 1101) in the Unemployment Trust Fund \$3,000,000 for each of fiscal years 2003 through 2005 to carry out this section.

SEC. 7. SENSE OF CONGRESS COMMENDING VETERANS AND MILITARY SERVICE ORGANIZATIONS.

It is the sense of Congress that—

(1) veterans and military service organizations are to be commended for the continued assistance the organizations provide veterans; and

(2) veterans and military service organizations are encouraged to provide job placement assistance to veterans who are job-ready by making personal computers with access to electronic job placement services and programs available to veterans at local posts and through other means.

SEC. 8. STUDY ON ECONOMIC BENEFITS TO THE UNITED STATES OF LONG-TERM SUSTAINED EMPLOYMENT OF VETERANS.

(a) **STUDY.**—The Secretary of Labor shall enter into a contract with an appropriate organization or entity to conduct a study to quantify the economic benefit to the United States attributable to the provision of employment and training services under chapter 41 of title 38, United States Code, in assisting veterans to attain long-term, sustained employment. Such study shall include analyses on the impact of such employment on Federal, State, and local tax generated by reason of such employment, the contributions of such employment on the domestic gross national product, and such other indicators of the effect of such employment on the economy of the United States.

(b) **REPORT.**—A condition of the contract under subsection (a) shall be that the organization submit to the Secretary of Labor a report on the study conducted by the organization not later than 18 months after the date on which that Secretary enters into such contract.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary of Labor \$1,000,000 to carry out the provisions of this section, such sums to remain available until expended.

INTRODUCTION

The bill, H.R. 4015, is based in part on bills that were introduced and considered in the 106th Congress. On January 19, 1999, the Honorable Bob Filner, Ranking Member of the Subcommittee on Benefits, introduced H.R. 364, to provide for a Veterans' Employment and Training Bill of Rights, to strengthen preference for veterans in hiring, and for other purposes. The Subcommittee held a hearing on this bill and draft legislative concepts for Veterans' Employment and Training legislation on October 28, 1999, and heard testimony from 16 witnesses.

On June 27, 2000, the Honorable Jack Quinn, Chairman, and the Honorable Bob Filner, Ranking Member of the Subcommittee on Benefits, along with the Honorable Bob Stump and the Honorable Lane Evans, Chairman and Ranking Member of the Veterans' Affairs Committee, respectively, introduced H.R. 4765, the 21st Century Veterans Employment and Training Act, to amend title 38, United States Code, to improve employment and training services provided to veterans and disabled veterans. The Subcommittee held hearings on this bill on July 12 and 13, 2000, and heard testimony from 17 witnesses.

On March 20, 2002, the Honorable Mike Simpson, Chairman of the Subcommittee on Benefits, and the Honorable Silvestre Reyes, Ranking Member of the Subcommittee on Benefits, along with the Honorable Christopher Smith and the Honorable Lane Evans, Chairman and Ranking Member of the Veterans' Affairs Committee, respectively, and the Honorable Jack Quinn and the Honorable Ronnie Shows, introduced H.R. 4015 to amend title 38, United States Code, to revise and improve employment, training, and placement services furnished to veterans, and for other purposes.

The reported bill, H.R. 4015, as amended, reflects the Committee's consideration of that bill. Some aspects of H.R. 4015 are substantively identical to, or are derived from, H.R. 364 or H.R. 4765.

On April 18, 2002, the Subcommittee met to receive testimony on H.R. 4015. Witnesses included Honorable Frederico Juarbe, Jr., Assistant Secretary for Veterans' Employment and Training, U.S. Department of Labor; Rex Hall, Chairman, Veterans' Advisory Committee, National Association of State Workforce Agencies; Roger Madsen, Director, Idaho Department of Labor; T. P. O'Mahoney, Commissioner Representing Labor, Texas Workforce Commission; Ken Mayfield, President-Elect, National Association of Counties; Bruce Wyngaard, Operations Director, Ohio Civil Service Employees Association, AFSCME Local 11; Dennis A. Beagle, Executive Board Member, New York State Employees Federation; Wesley Poriotis, Chief Executive Officer, Wesley, Brown & Bartle Company, Inc.; Rick Weidman, Director, Government Relations, Vietnam Veterans of America; Steve Robertson, Legislative Director, The American Legion; James N. Magill, Director, National Employment Policy, Veterans of Foreign Wars of the United States; Carl Blake, Legislative Director, Paralyzed Veterans of America; Richard Jones, National Legislative Director, AMVETS; and Brian Lawrence, Associate Legislative Director, Disabled American Veterans. The Subcommittee also received written testimony submitted by William Crandell, Ph.D., Legislative Director, Association of Service Disabled Veterans; T.M. Hale, Senior Vice President, Resource Consultants, Inc; and the New Jersey Department of Labor.

On May 2, 2002, the Subcommittee on Benefits met and unanimously ordered H.R. 4015, as amended, reported favorably to the full Committee.

On May 9, 2002, the full Committee met and ordered H.R. 4015, as amended, reported favorably to the House by unanimous voice vote.

SUMMARY OF THE REPORTED BILL

H.R. 4015, as amended, would:

1. Provide priority of service to veterans and spouses of certain veterans for the receipt of employment, training, and placement services in any job training program directly funded, in whole or in part, by the Department of Labor, notwithstanding any other provision of law.
2. Provide, with respect to Federal contracts and subcontracts in the amount of \$100,000 or more, that the contractor and any subcontractor take affirmative action to employ and advance in employment qualified veterans, including immediately listing employment openings for such contracts through the appropriate employment delivery system.
3. Change "Veterans Readjustment Authority (VRA)" to "Veterans Recruitment Authority" and change eligibility for such non-competitive appointment in the Federal government from Vietnam era and post-Vietnam era veterans to qualified covered veterans (see paragraph four) within the 10-year period that begins on the date of the veteran's last discharge; the 10-year period would not apply to a veteran with a service-connected disability of 30 percent or more.

4. Make eligible as “covered veterans” for Federal contracts and subcontracts and the Veterans Recruitment Authority:
 - disabled veterans;
 - veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized;
 - veterans who, while serving on active duty in the Armed Forces, participated in a United States military operation for which an Armed Forces service medal was awarded; or
 - veterans discharged or released from military service within the past three years.
5. Require the Secretary to carry out a program of performance incentive awards to states to encourage the improvement and modernization of employment, training and placement services to veterans.
6. Authorize additional funds to be appropriated for the Secretary to carry out the program of performance incentive awards of \$10 million for the program year beginning in fiscal year 2004; \$25 million for the program year beginning in fiscal year 2005; \$50 million for the program year beginning in fiscal year 2006; \$75 million for the program year beginning in fiscal year 2007; and \$100 million for the program year beginning in fiscal year 2008.
7. Establish the position of Deputy Assistant Secretary for Veterans’ Employment and Training as a career federal civil service position, with such individual having at least five years of continuous Federal service in the executive branch immediately preceding appointment as Deputy Assistant Secretary; and require such person to be a veteran.
8. Set forth conditions for receipt of funding by states to include a requirement that a State submit an application for a grant or contract describing the manner in which the State is to furnish employment, training, and placement services
9. Revise the methods by which the Secretary furnishes Disabled Veterans’ Outreach Program Specialist (DVOPs) and Local Veterans’ Employment Representative (LVER) funds to a state. Require the Secretary to make funds available for a fiscal year to each state in proportion to the number of veterans seeking employment using such criteria as the Secretary may establish in regulation, including civilian labor force and unemployment data, for the state on an annual basis. The proportion of funding would reflect the ratio of the total number of veterans residing in the state that are seeking employment to the total number of veterans seeking employment in all states.
10. Require that the Secretary phase-in over the three fiscal year period that begins on October 1, 2002, the funding described by paragraph nine above.
11. Require the Secretary to establish minimum funding levels and hold-harmless criteria in administering funding to the states.
12. Require that when a state has an entered-employment rate that the Secretary determines is deficient for the preceding year, the state must develop and implement a corrective action plan that is submitted to the Secretary.

13. Require the Secretary to establish in regulations a uniform national threshold entered-employment rate for a program year by which determinations of deficiency may be made. The Secretary must take into account the applicable annual unemployment data for the state and consider other factors, such as prevailing economic conditions, that affect performance of individuals providing employment, training, and placement services in the state.
14. Require the Secretary to assign to each region a representative of the Veterans' Employment and Training Service to serve as Regional Administrator for Veterans' Employment and Training. The Regional Administrator must be a veteran.
15. Require the Assistant Secretary of Labor for Veterans' Employment and Training to establish and implement a comprehensive accountability system to measure the performance of delivery systems in a state. Such standards and measures must be (1) consistent with state performance measures applicable under section 136(b) of the Workforce Investment Act of 1998, and (2) appropriately weighted to provide special consideration for veterans requiring intensive services, such as special disabled veterans and disabled veterans, and for veterans who enroll in readjustment counseling services furnished by the Department of Veterans Affairs.
16. Require the Secretary to assign to each state a representative of the Veterans Employment and Training Service (VETS) to serve as the Director for Veterans' Employment and Training (DVET) and full-time Federal clerical or other support personnel to each Director; authorize the Secretary to assign as supervisory personnel such representatives of VETS as the Secretary determines appropriate.
17. Require, subject to approval by the Secretary, that states employ a sufficient number of full or part-time DVOPs to carry out intensive services to meet the employment needs of special disabled veterans, other disabled veterans and other eligible veterans. To the maximum extent practicable such employees are to be qualified veterans. Preference would be given to qualified disabled veterans.
18. Require, subject to approval by the Secretary, that a state employ such full and part-time LVERs as the state determines appropriate and efficient to carry out employment, training and placement services. To the maximum extent practicable, such employees are to be qualified veterans.
19. Require the Secretary, within 18 months of enactment, to enhance the delivery of services by providing "one-stop" services and assistance to covered persons electronically by the Internet and by other electronic means.
20. Clarify the authority of the National Veterans' Employment and Training Services Institute (NVETSI) to enter into contracts or agreements with departments or agencies of the United States or of a state, or with other organizations, to carry out training in providing veterans' employment, training, and placement services. Further, require that each an-

nual budget submission include a separate listing of the amount for NVETSI.

21. Authorize \$3 million to be appropriated to the Secretary of Labor from the employment security administration account in the Unemployment Trust Fund for each of fiscal years 2003 through 2005 to establish within the Department of Labor the President's National Hire Veterans Committee. The Committee would furnish information to employers with respect to the training and skills of veterans and disabled veterans, and with respect to the advantages afforded employers by hiring veterans.
22. Express the sense of Congress commending veterans and military service organizations, and encourage them to provide job placement assistance to veterans who are job-ready by making personal computers available to them with access to electronic job placement services and programs.
23. Authorize \$1 million for the Secretary of Labor to enter into a contract with an appropriate organization or entity to conduct an 18-month study to quantify the economic benefit to the United States attributable to the provision of employment and training services provided under chapter 41 of title 38, United States Code, in helping veterans to attain long-term, sustained employment.

BACKGROUND

In response to legislation introduced during the 107th Congress, the Honorable Mike Simpson, Chairman of the Subcommittee on Benefits, requested a legislative history from the Congressional Research Service (CRS) on veterans' employment and training services under the depression-era Wagner-Peyser Act, the World War II-era Veterans' Employment Service, and the Workforce Investment Act (WIA) of 1998. The Committee believes this information is useful in light of the need for a Veterans' Employment and Training Service (VETS) delivery system compatible with the WIA and one-stop career centers. Such a delivery system should also reflect self-service for job-ready veterans through America's Job Bank and America's Talent Bank, which are Internet-based job services for applicants and employers, and greater emphasis on accountability for performance of publicly funded programs. The paper submitted by the Domestic Social Policy Division of the CRS follows:

Background Information on Programs Under the Jurisdiction of the Veterans' Employment and Training Service (VETS) of the Department of Labor

Preparatory to the Committee's consideration of the Jobs for Veterans Act (H.R. 4015), on April 30, 2002 Subcommittee on Benefits Chairman Michael K. Simpson asked for background information on employment services provided to veterans, especially disabled veterans following their armed forces active duty service. In addition, you requested a brief discussion of the implications of Public Law 105-220 for these services.

Veterans' employment services, governed by 38 USC Section 4100, are provided by Disabled Veterans Outreach

Program specialists (DVOPs), and Local Veterans' Employment Representatives (LVERs). These specialists and representatives are employed by State Employment Service Agencies (SESA), and paid from funds raised under authority of the Federal Unemployment Tax Act (FUTA). Training for these specialists and representatives is often provided through the National Veterans' Training Institute (NVTI). The employment services and NVTI are administered through the Veterans' Employment and Training Service (VETS) of the Department of Labor (DoL).

Origins of Employment Services for Unemployed Workers

A formal mechanism for matching specific job opportunities with qualified persons is a rational response to industrialization, in which efficiency is enhanced by a predictable and dependable labor force, and workers are vulnerable to displacement during economic downturns. During the 19th Century, public offices specifically designed to accomplish these reciprocal purposes were established, first by cities, and subsequently by several states. At the onset of World War I, the need for a national manpower pool to support the war effort led to the formation of the U.S. public employment service system, which then substantially disappeared following the end of the war and declining defense industry demand for workers. During the Depression of the 1930s, the federal government tried several approaches that many hoped would relieve the financial hardship of displaced workers, as well as revitalize the economy and stimulate recovery. As part of the recovery efforts, many public jobs were created, thereby combining work relief for the unemployed with the economic stimulus of increased spending by displaced workers who would otherwise be without income.

To help link these public jobs with workers who needed them, Congress resurrected the concept of a publicly-supported system of employment services when it passed the Wagner-Peyser Act of 1933, which called for the development of federal-state employment service offices. In 1935, as part of the Social Security Act, Congress expanded the role of the employment service offices by establishing an unemployment insurance benefit program, thereby creating a governmental interest in determining whether benefit applicants were ready, able, and looking for work.

Development of Employment and Training Services for Veterans

The broad nature of the Great Depression made the scope and import of a national employment service part of a strategy of economic recovery. Yet, the federal-state employment service focused, at least initially, on the circumstances of individual workers, local employers, and the communities in which they resided. With the onset of World War II, however, the scope of employment service offices expanded under federal authority to promote the efficient matching of defense industry needs with available

manpower, an exchange that reflected the interstate nature of a national response to a national crisis. Then, as the war neared conclusion, Congress considered the widespread economic implications of a massive demobilization of individual troops, and established a national priority for the placement of veterans in available jobs as part of the Servicemen's Readjustment Act for 1944 (commonly known as the GI Bill). The GI Bill helped returning service-members and a recovering national economy adjust to each other.

In adopting special employment services for returning troops, Congress expanded the role of the Employment Service to include a variety of case-specific services to help individual veterans become more employable. The law established a system of priorities giving veterans hiring advantages over nonveterans in the pursuit of federal government jobs, and early notice about the availability of other jobs in the nonfederal sector. To assure that these objectives would be vigorously pursued, Congress provided for grants to states for the specific purpose of hiring persons who would become expert in the placement of veterans needing jobs. These special experts, referred to as Local Veterans' Employment Representatives (LVERs) assisted veterans looking for work, and as well combed the community for employers with jobs suitable for such veterans.

SPECIAL EMPLOYMENT ASSISTANCE FOR VIETNAM ERA VETERANS

In January of 1977, DOL initiated a three-part plan to reduce high unemployment among veterans of the Vietnam Era, especially disabled veterans. Employment opportunities for the Vietnam Era veterans were perceived as particularly limited because of wide-spread economic problems, but also because such veterans were not enjoying the advantages of returning from active duty to a public grateful for their military service.

One part of the plan focused on Help through Industry Retraining and Employment (HIRE), while another established a hiring goal of 35 percent more veterans in public employment. The third part of the plan was the Disabled Veterans Outreach Program (DVOP), which envisioned a strong outreach program to identify veterans in need of special employment services, as well as the active cultivation of employers attuned to the responsibility to hire veterans, especially disabled veterans and those from the Vietnam Era. Many DVOP specialists were themselves disabled veterans, who were thereby perceived to have special affinities with the disabled veterans needing employment assistance.

DVOP specialists and LVERs were mostly located in local State Employment Service Agency (SESA) offices, although by law, one-fourth of DVOP staff were stationed at least some of the time at veterans outreach contact points in VA facilities, military installations, and veterans service

organization offices. In the spring of 1977, program staff began referring eligible veterans to training and supportive services, educational opportunities, and appropriate job openings that the staff identified among federal contractors with special veterans priority obligations.¹ In addition, the DVOP specialists and LVERs set out to develop working relationships with other job sources, such as labor unions, community organizations, and employers. By July 1979, the unemployment rate for the same group had declined to 3.5 percent from 5.7 percent 2 years earlier, with an actual decline of 111,000 in the number of unemployed Vietnam Era veterans during the same period, according to DOL reports.

CURRENT OPERATIONS OF THE DVOPS AND LVERS EMPLOYMENT SERVICES

Under current law, LVERs are authorized under a formula that provides for one representative for an employment service office with at least 1,100 veterans registered for assistance, with an additional representative for each 1,500 registered veterans above that level. Time is allocated among local employment service offices at the rate of one half-time LVER for each office in which between 350 and 1,100 veterans were registered for employment services. Current law provides for one DVOP specialist for each 7,400 veterans between the ages of 20 and 64 who are residing within a state.

The actual number of positions is governed by the level of appropriations Congress provides to fill the authorized positions. For FY2000, an appropriation of \$80.215 million supports grants for 1,328 DVOP specialists, while \$77.253 million supports 1,173 LVERs. About \$2 million is available for training of DVOP specialists and LVERs through the National Veterans' Training Institute (NVTI).

Implications for VETS Programs of P.L. 105-220, the Workforce Investment Act of 1998 (WIA)

When Congress enacted the Workforce Investment Act of 1998, its stated purpose was to "consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs." WIA contains provisions which codify a concept called the One-Stop Career Center system, and the Act requires that employment services be delivered through state One-Stop offices.² Under requirements of WIA, local areas established, by July 1, 2000, One-Stop career centers with access to services provided under multiple programs. Unemployed persons will have streamlined

¹The Vietnam Era Veterans' Readjustment Assistance Act of 1974 requires employers with federal contracts of \$10,000 or more to list all openings (except certain exempt managerial positions) with local SESA offices. The Act also requires "affirmative action" programs for the hiring of veterans, and local employment service offices are expected to monitor contractor compliance, submitting the names of employers suspected of noncompliance to DOL for investigation and eventual resolution.

²For further information on the employment service and the implications of passage of the Workforce Investment Act of 1998, see CRS Report RL30248, *The Employment Service: The Federal-State Public Labor Exchange System*, by Alison Pasternak and Ann Lordeman.

access to employment, education, training, counseling, and job availability information, that in the past was generally available only in separate locations.

WIA envisions employment service offices being able to take advantage of modern electronic data processing to expedite finding appropriate jobs for qualified applicants, as well as to help potential employees identify available jobs, and assist with their applications. In key ways, the new system mimics the essential characteristics that guided federal employment service policy during wartime, by identifying job opportunities and workforce applicants across geographical boundaries. Instead of a localized objective of matching job seekers with work in their hometowns, the WIA approach, as did the wartime employment services before it, allows workers to seek suitable employment in far off places, while giving employers a nationwide pool of potential applicants from which to draw.

The WIA does not specifically address the role of DOL Veterans Employment and Training service programs and personnel within One-Stop offices. However, Title 38 limits LVERs and DVOP specialists to providing assistance only to veterans, an apparent conflict with the function of a One-Stop career center, in which services are integrated through a case-management concept that guides clientele to particular staff most able to provide the services the individual client needs. Thus, without changes to the way in which LVERs and DVOPs function in employment service offices, veterans may not benefit from the greater access to national job market information that WIA facilitates. Further, DVOP specialists and LVERs may need retraining to take advantage of the new employment service capability at their fingertips.

By enacting WIA, Congress encouraged the utilization of modern technological capabilities and a global approach to job searches. This broad national approach is also intended to provide individualized, intensive assistance to specific individuals needing employment search assistance. This restyled employment services approach appears to be consistent with the national responsibility Congress has previously accepted with respect to veterans, especially disabled veterans, and their employment search needs.

DISCUSSION OF THE REPORTED BILL

Although our country's economic, social, and military environment have changed dramatically over the past few decades, the legal framework, policy and operational direction governing the provision of employment services remain from an earlier era that had its genesis in the Great Depression. Veterans' employment services are today provided in accordance with prescriptive and inflexible process-oriented provisions of law that have become obsolete as new employment delivery methods have evolved. From May 1997 to June 2001, the General Accounting Office issued eight reports criticizing the U.S. Department of Labor, Veterans' Employ-

ment and Training Service (VETS), for deficiencies in performance, performance measurement, and strategic planning.¹

Veterans bring a unique combination of skill, discipline, character, and talent to the marketplace. Although hiring veterans is a good business decision, veterans are a unique national resource that too often goes unrecognized and underused. The Gallup Organization's 1998 National Survey of Employers, requested by the Commission on Servicemembers and Veterans Transition Assistance, found that only 26 percent of employers actively recruited veterans. When asked where employers look to hire veterans, 48 percent incorrectly identified the Department of Veterans Affairs, and only 25 percent cited the local Job Service office in their state.

Priority of service for veterans in Department of Labor job training programs. Section 2 of the reported bill would provide priority of service for veterans and other covered persons in Department of Labor funded job training programs. It would define "priority of service" with respect to any qualified job training program to give priority to eligible veterans and other covered persons over non-veterans for the receipt of employment, training, and placement services under those programs, notwithstanding any other provision of law. A "covered person" means: (1) a veteran; (2) a spouse of any of the following individuals: (a) veteran who died of a service-connected disability, (b) any member of the armed forces who, at the time of application for assistance under this section is listed for more than 90 days, pursuant to section 556 of title 37, United States Code, by the Secretary concerned in one or more of the following categories: (i) missing in action, (ii) captured in the line of duty by a hostile force, or (iii) forcibly detained or interned in the line of duty by a foreign government or power, (c) a veteran who has a total disability resulting from a service-connected disability, or (d) a veteran who died while a disability so evaluated was in existence.

Section 2 also would authorize the Secretary of Labor to set priorities among eligible persons, taking into account the needs of disabled and special disabled veterans, and any other factors the Secretary considers appropriate.

In regard to the priority of service, the Committee notes the testimony submitted for the record by the New Jersey Department of Labor as being illustrative of the view of many organizations: "The State of New Jersey fully supports broadening the mandate to provide priority of service to veterans in all DOL Job Training programs, in addition to the separate section 168 programs under the

¹ Veterans' Employment and Training Service: Flexibility and Accountability Needed to Improve Service to Veterans (GAO-01-928, September, 2001)

Veterans' Employment and Training Service: Further Changes Needed to Strengthen Its Performance Measurement System (GAO-01-757T, June, 2001)

Veterans' Employment and Training Service: Proposed Performance Measurement System Improved, But Further Changes Needed (GAO-01-580, May, 2001)

Veterans' Employment and Training Service: Better Planning Needed to Address Future Needs (GAO/T-HEHS-00-206, September, 2000)

Veterans' Employment and Training Service: Strategic and Performance Plans Lack Vision and Clarity (GAO/T-HEHS-99-177, July, 1999)

Veterans' Employment and Training Service: Assessment of the Fiscal Year 1999 Performance Plan (GAO/HEHS-98-240R, September, 1998)

Veterans' Employment and Training Service: Services Provided in Labor Department Programs (GAO/HEHS-98-7, October, 1997)

Veterans' Employment and Training Service: Focusing on Program Results to Improve Agency Performance (GAO/T-HEHS-97-129, May, 1997)

Workforce Investment Act of 1998. We attempt to do this now for all of our programs and are encouraged that this provision would be enacted into law.”

The Committee believes this is an appropriate policy because veterans earn priority through honorable and often hazardous service to the nation. In effect, this section would codify current practice in some DOL-funded programs where veterans are participating at a level that exceeds parity.

The DOL Employment and Training Administration “9002 Report” for 1999 shows 2,149,156 total workforce participants, of which 4.5 percent of the veteran population was identified as “economically disadvantaged.” This is compared to 5.4 percent of the non-veteran population that was identified as “economically disadvantaged.” Although veterans were slightly less likely to be “economically disadvantaged,” veterans nevertheless represented six percent of adults who received service in the Title II–A “economically disadvantaged” program for program year 1999 and received services beyond initial assessment.

With respect to the Title III “dislocated worker” program, Bureau of Labor Statistics on the Employment Situation of Vietnam Era Veterans, September 1999, published in June 2000, Tables 1 and 8, show there were 14.9 million veterans in the Civilian Labor Force, representing 10.9 percent of it. In program year 1999, veterans participated in the “dislocated worker” program at 11 percent, slightly above parity. The Committee believes that with the enactment of its first-in-line policy, veterans participation can be higher. See, Social Policy Research Associates, PY 99 SPIR Data Book, April 2001, Table II–3.

The Committee views its first-in-line priority as promoting even greater improvements in current DOL performance in which veterans’ participation is beyond parity. Veterans have earned such priority by serving in our All-Volunteer Force. See, Social Policy Research Associates, PY 99 SPIR Data Book, April 2001.

Section 2 also would provide, with respect to Federal contracts and subcontracts in the amount of \$100,000 or more entered into by any department or agency of the United States for the procurement of personal property and non personal services (including construction), a provision requiring that the contractor or subcontractor take affirmative action to employ and advance in employment qualified covered veterans. In this section, a “covered veteran” is defined as (1) a disabled veteran, (2) a veteran who served on active duty in the Armed Forces during a war or in a campaign or expedition for which a campaign badge is authorized, (3) a veteran who, while serving on active duty in the Armed Forces, participated in a United States military operation, for which an Armed Forces service medal was awarded pursuant to Executive Order 12985, and (4) a recently-separated veteran (within three years after discharge or release from military service).

The testimony of Mr. Bruce Wyngaard, Operations Director, Ohio Civil Service Employees Association (American Federation of State, County, and Municipal Employees Local 11), illustrates the view of many witnesses who testified with respect to federal contracts: “We strongly support the provision in the legislation that would require contractors to list their job openings with the appropriate employment service delivery system. AFSCME believes mandatory listing

of job vacancies with the employment service is essential to building an effective national labor exchange for veterans. . . .”

Section 2 further would make various changes to the language in section 4214(a)(1) of title 38, United States Code, regarding the obligation of the United States to assist veterans of the Armed Forces in readjusting to civilian life since veterans, who by virtue of their military service, have lost opportunities to pursue education and training oriented toward civilian careers.

Finally, section 2 would change “Veterans Readjustment Authority (VRA)” to “Veterans Recruitment Authority.” Eligibility for such non-competitive appointment to Federal service would change from Vietnam era and post-Vietnam era veterans to “qualified covered veterans” (as discussed in the Summary at paragraph four) within the 10-year period that begins on the date of the veteran’s last discharge or release from active duty; the 10-year limitation would not apply to a veteran with a service-connected disability of 30 percent or more. The Committee believes that VRA, as revised by the reported bill, would serve as a valuable tool to recruit future veterans to Federal civilian service.

Performance incentive awards for quality veterans employment, training, and placement services. Section 3 of H.R. 4015, as amended, would require the Secretary to carry out a program of performance incentive cash awards to states to encourage the improvement and modernization of employment, training and placement services to veterans. The performance incentive cash awards for each program year would be with respect to services provided during the preceding program year, beginning with fiscal year 2004.

This section also would require the Secretary to:

- establish eligibility criteria for such awards through a consultative process with states, political subdivisions of states, and other providers of employment, training, and placement services under the Workforce Investment Act of 1998 consistent with the other performance measures for services authorized by this chapter;
- determine the amount of performance incentive awards in a state under this section by measuring the performance of a state in providing employment, training and placement services furnished veterans and eligible persons in each state through employment service delivery systems, through disabled veterans’ outreach program specialists, and through local veterans’ employment representatives during the previous program year based on the measures of performance established under this chapter;
- provide greater amounts to states that provide the highest quality services during the previous year based on measures of performance;
- provide awards to states that have made significant improvements in the delivery of services, but may not have provided the highest quality services; and
- consider the applicable annual state employment data and other factors, such as prevailing economic conditions, that affect performance of individuals providing employment, training, and placement services in the state.

The performance awards would be in addition to state VETS program grants for disabled veterans' outreach program specialists and local veterans' employment representatives, and expenses for them to attend the National Veterans' Employment and Training Services Institute. Award funds could be obligated during the program year in which the cash award was received and the subsequent program year.

Section 3 would authorize the amount of performance incentive awards to be appropriated for the Secretary, in addition to amounts authorized to be appropriated to carry out chapters 41, 42, and 43 of title 38, United States Code as follows: \$10 million for the program year beginning in fiscal year 2004, \$25 million for the program year beginning in fiscal year 2005, \$50 million for the program year beginning in fiscal year 2006, \$75 million for the program year beginning in fiscal year 2007, and \$100 million for the program year beginning in fiscal year 2008.

The testimony of witnesses at the April 18, 2002 hearing of the Subcommittee on Benefits on H.R. 4015 strongly supported this section. The Honorable Frederico Juarbe, Jr., Assistant Secretary of Veterans' Employment and Training, stated, "incorporating the expectation of high performance is an essential component of an effective workforce system. H.R. 4015, as amended, provides incentives not only to those states that provide the highest level of performance, but also to those states that show significant improvements."

Mr. Rex Hall, Chairman, Veterans' Advisory Committee, National Association of State Workforce Agencies, stated that, "we welcome the establishment of an incentive program that rewards states for good performance. . . . The states welcome this initiative and believe that replacing the current performance measures under Title 38 with outcome-based measures that are similar to the new labor exchange (Wagner-Peyser Act) will result in better services to veterans and will be more aligned with the current delivery structure in states."

William Crandell, Ph.D., of the Association of Service Disabled Veterans noted, "The method your bill has chosen . . . wisely relies on performance incentives rather than punishment. Give state managers a shot at earning a larger budget, and many will take you up on it." The Committee believes that this provision would give every state an equal opportunity to excel.

Refinement of job training and placement functions of the Department. Section 4 of H.R. 4015, as amended, would revise the functions of Department level senior officials, continuing within the Department of Labor (DOL) the position of Assistant Secretary for Veterans' Employment and Training (ASVET), to be appointed by the President with the advice and consent of the Senate to formulate and implement all departmental policies and procedures to carry out chapters 41, 42, and 43 of title 38, United States Code, and all other DOL employment, unemployment, and training programs to the extent they affect veterans. The bill would require that such individual be a veteran.

Additionally, section 4 would revise the qualifications for the position of Deputy Assistant Secretary for Veterans' Employment and Training. No individual would be eligible for appointment to such position unless the individual has at least five years of continuous

service in the Federal civil service in the executive branch immediately preceding appointment as Deputy Assistant Secretary. For purposes of determining such continuous service of the individual, the reported bill excludes certain specified types of executive branch service. The reported bill would require the Deputy Assistant Secretary to be a veteran.

Section 4 also would specify program functions of the Veterans' Employment and Training Service. The Committee notes this section of the bill largely follows current law with respect to the seven duties of the ASVET listed under section 4102A(b), but with certain clarifying or substantive revisions. For example, this section:

- adds veteran and disabled veteran-owned business concerns to the entities that programs, grantees and contractors would be encouraged to enter into cooperative arrangements in order to meet veterans' employment and training needs;
- clarifies that the ASVET carries out employment, job training, and placement activities with appropriate state employment service officials and other providers;
- replaces "fringe benefits" with "other business expenditures" in regard to expenses for which state grantees or contractors may be reimbursed for specialists' and representatives', including for attendance at the National Veterans' Employment and Training Services Institute;
- deletes the monitoring of appointments and assignment requirements for disabled veterans' outreach program specialists and local veterans' employment representatives; and
- requires the Secretary to establish and update as appropriate, a comprehensive performance accountability system and carry out annual performance reviews of veterans employment, training, and placement services provided through employment service delivery systems, through disabled veterans' outreach program specialists, and through local veterans' employment representatives in states receiving grants, contracts, or awards under this chapter.

This section would revise the methods by which the Secretary furnishes DVOP and LVER funds to a state by requiring the Secretary to make funds available for each fiscal year in proportion to the number of veterans seeking employment using such criteria as the Secretary may establish in regulation, including civilian labor force and unemployment rates. The proportion of funding would reflect the ratio of the total number of veterans residing in the state that are seeking employment to the total number of veterans seeking employment in all states.

The Secretary would be required to phase-in over the three fiscal year period that begins on October 1, 2002, the manner in which amounts are made available to the states for DVOPs and LVERs, as amended by this Act. It also would give the Secretary the discretionary authority to establish minimum funding levels and hold-harmless criteria for states in administering funding to the states. This flexibility is especially appropriate for smaller states with limited staffing to maintain a continuity of service during swings in unemployment rates. This provision was derived from suggestions from the U.S. Department of Labor and the National Association of State Workforce Agencies.

As revised by this bill, section 4102(c)(3) of title 38, United States Code, would require that when a state has an entered-employment rate that the Secretary determines is deficient for the preceding year, the state must develop and implement a corrective action plan that is submitted to the Secretary. The Secretary would also be required to establish in regulations a uniform national threshold entered-employment rate for a program year by which determinations of deficiency may be made. In making such determinations, the Secretary would be required to take into account the applicable annual unemployment data for the state and consider other factors, such as prevailing economic conditions, that affect performance of individuals providing employment, training, and placement services in the state. In determining the terms and conditions of a grant or contract for DVOP and LVER services, the Secretary would be required to take into account (1) the results of reviews carried out through the comprehensive performance accountability system regarding the performance of the employment, training and placements delivery system in each state, and (2) the on-going monitoring of this performance.

Each grant or contract by which funds would be made available to a state would be required to contain a provision that the recipient of the funds comply with the provisions of chapter 41 of title 38, United States Code, and on an annual basis, notify the Secretary of Labor and provide supporting rationale for each non-veteran who is employed as a DVOP and LVER for a period in excess of six months. States also would be required to coordinate employment, training, and placement services furnished to veterans and eligible persons under this chapter with such services furnished to such veterans and persons under the Workforce Investment Act of 1998 and the Wagner-Peyser Act.

As stated above, the ASVET, not later than three months after enactment, would be required to establish and implement a comprehensive performance accountability system to measure the performance of employment service delivery systems (including Wagner-Peyser personnel), disabled veterans' outreach program specialists, and local veterans' employment representatives, providing employment, training and placement services in a state. The standards and measures would have to be consistent with state performance measures applicable under section 136(b) of the Workforce Investment Act of 1998, and be appropriately weighted to provide special consideration for placement of veterans requiring intensive services (as defined in section 4101(9) of title 38, United States Code), such as special disabled and disabled veterans, and veterans who enroll in readjustment counseling under section 1712A of title 38, United States Code.

Subject to the approval by the Secretary, states would be required to employ a sufficient number of full or part-time DVOPs to carry out intensive services to meet the employment needs of eligible veterans with the following priority in the provision of services: (1) special disabled veterans, (2) other disabled veterans, and (3) other eligible veterans in accordance with priorities determined by the Secretary taking into account applicable rates of unemployment and the unemployment criteria set forth in chapter 42 of title 38, United States Code. This section would also require the Secretary to place maximum emphasis on meeting the employment needs of

veterans who are economically or educationally disadvantaged. A state, to the maximum extent practicable, would be required to employ qualified veterans to carry out DVOP services, and give preference in hiring to qualified disabled veterans. While it is the Committee's intention that these positions ordinarily be filled by eligible veterans and preferably eligible disabled veterans, the Committee recognizes that under certain circumstances, it may be appropriate or necessary to employ a nonveteran in these positions on a temporary or permanent basis. The reporting requirement for the States to provide information and rationale to the Secretary whenever a nonveteran is employed for more than six months is intended to permit monitoring of the states efforts and to assure that veterans are employed in these positions to "the maximum extent practicable".

The reported bill would provide for the principal duties of LVERs to include conducting outreach to employers to assist veterans in gaining employment, and, in conjunction with employers, conducting job search workshops and establishing job search groups. Duties would also include facilitating employment, training and placement services furnished to veterans in a state under the applicable state employment delivery system. States would be required, to the maximum extent practicable, to employ qualified veterans to carry out duties of LVERs. The Committee expects that veterans would ordinarily fill such positions, but permits nonveterans to be hired when necessary to assure services to veterans.

Further, the Secretary of Labor, within 18 months of enactment, would be required to provide one-stop services and assistance to covered persons electronically by the Internet and other electronic means, to enhance the delivery of such services. For the one-stop office, the Committee expects that the Secretary would establish a virtual Job Service website with four platforms: transition and job readiness, resources, job fair and employer support, plus on-line access to veterans case managers. The system should complement, not supplant, similar efforts of state employment security agencies. Electronic links to services of such agencies should be provided when feasible. The Department of Defense would market and promote such services to transitioning servicemembers, and the Department of Labor and the individual state would promote with employers the use of the website for recruiting.

The U.S. Army has had comprehensive Internet-based employment assistance services available (located at www.acap.army.mil) since 1996 for active-duty clients and family members. Veterans are provided access to the system for up to 90 days after leaving active duty. The written testimony of Resource Consultants, Inc. (RCI), at the July 12, 2000 and April 18, 2002 hearings of the Subcommittee on Benefits stated:

The (Army) Internet-based service includes a comprehensive listing of available jobs that is updated daily, job search tutorials, an e-mail-based job assistance help line, links to the major Internet-based job listing services, and similar services. It has been a popular service with clients able to continue job searches away from an ACAP site, as well as for having access to a job counselor by mail.

The Committee encourages the Secretary of Labor to consult with the Secretary of the Army in developing the Internet-based “one-stop” job service office for veterans and servicemembers, as would be required by the provision.

The reported bill would remove from law highly prescriptive provisions that the Committee believes limit the flexibility of states’ and counties’ abilities to serve both veterans and employers, including detailed descriptions for DVOP and LVER positions; the rigid method for assigning DVOPs and LVERs to local employment offices; and intrusive authority of state Directors for Veterans’ Employment and Training to participate in the annual performance rating of DVOPs and LVERs in state or county merit systems.

The reported bill would make states and counties more accountable with respect to outcomes and results, but allows them greater flexibility. Assistant Secretary Juarbe testified at the Subcommittee on Benefits hearing on April 18, 2002, that “flexibility is critical to making services more accessible to veterans.” T.P. O’Mahoney, Commissioner representing Labor for the Texas Workforce Commission, testified as well that “the cornerstone of this new [Workforce Investment Act] system is local control accompanied by flexibility and integration of programs to deliver high quality services . . .” Mr. O’Mahoney also stated “the authorization for half-time DVOP staff will certainly improve total operations and allow more flexibility.”

The Committee emphasizes that under the proposed 38 U.S.C. 4102A(c), entitled “Conditions for Receipt of Funds”, each state would be required to describe in an annual plan the manner in which DVOPs and LVERs are integrated in the employment service delivery systems in the state. The Committee agrees with testimony from both Assistant Secretary Juarbe and the witnesses from the National Association of State Workforce Agencies that in meeting the needs of veterans in the 21st century workplace, veterans’ services need to be closely aligned with the Workforce Investment Act of 1998.

Additional improvements in veterans employment and training services. Section 5 of H.R. 4015, as amended, would make several definitional and reporting changes in law to conform better to the Workforce Investment Act, including:

- defining “intensive services” as local employment and training services of the type described in section 134(d)(3) of the Workforce Investment Act of 1998;
- replacing “job and job training counseling service program” with “job and job training intensive services program”; and
- replacing “employment counseling services” and “counseling” with “intensive services.”

Section 5 would add programs easing the transition of servicemembers to civilian careers to those programs the Assistant Secretary of Labor for Veterans’ Employment and Training administers.

This section would update use of various terms to more accurately capture outcomes, such as: (1) replacing “and eligible persons who are registered for assistance with” with “eligible persons, and servicemembers transitioning to civilian life who registered for assistance with or who are identified as veterans by,” (2) replacing

“job placement rate” the first place it appears with “the rate of entered employment (as determined in a manner consistent with state performance measures applicable under section 136(b) of the Workforce Investment Act of 1998),” and (3) replacing “the job placement rate” the second place it appears with “such rate of entered employment”.

This section would require the Secretary of Labor to include in the Department’s annual report to the House and Senate Committees on Veterans’ Affairs information on (1) the operation during the preceding program year of the program of performance incentive awards for quality employment services, including an analysis of the amount of incentive awards distributed to each State and the rationale for such distribution, and (2) in the case of a state that has not met the minimum standard of performance as established by the Secretary, the Secretary’s analysis of the extent and reason for the state’s failure to meet that minimum standard, together with the state’s plan for corrective action during the succeeding year.

Finally, this section would clarify that National Veterans’ Employment and Training Services Institute should have authority to provide training for personnel of other departments or agencies.

Committee to raise employer awareness of skills of veterans and benefits of hiring veterans. Section 6 would establish within the Department of Labor a committee to be known as the President’s National Hire Veterans Committee. The Committee’s duties would include (1) furnishing information to employers with respect to the training and skills of veterans and disabled veterans and the advantages afforded employers by hiring veterans with such training and skills, and (2) facilitating employment of veterans and disabled veterans through participation in America’s Career Kit national labor exchange and through other means.

The Secretary of Labor would be authorized to appoint 15 individuals to serve as members of the Committee, of whom one would be appointed from among names submitted by the following representatives: the Ad Council, the National Committee for Employer Support of the Guard and Reserve, veterans’ service organizations that have a national employment program, state employment security agencies, one-stop career centers, state departments of veterans affairs, and military service organizations.

Eight individuals would be appointed from among businesses, small businesses, industries, companies in the private sector that furnish placement services, civic groups, Workforce Investment Boards, and labor unions.

Non-voting ex officio members of the Committee would include the Secretary of Veterans Affairs, the Secretary of Defense, the Assistant Secretary of Labor for Veterans’ Employment and Training, the Administrator of the Small Business Administration, the Postmaster General, and the Director of the Office of Personnel Management. In the event of a vacancy on the Committee, the position would be filled in the manner in which the original appointment was made.

This section would provide as well that the Committee would meet not less frequently than once each calendar quarter. The Secretary of Labor would appoint the Chairman of the Committee. Members of the Committee would serve without compensation, but

would be permitted travel and per diem reimbursement in lieu of subsistence while away from their homes or regular places of business in the performance of the responsibilities of the Committee. The Secretary would provide staff and administrative support to the Committee to assist it in carrying out its duties. The Secretary would assure positions on the staff of the Committee include positions that are filled by individuals that are now, or have been, employed as one of the following: (1) staff of the Assistant Secretary for Veterans' Employment and Training, (2) Directors or Assistant Directors for Veterans' Employment and Training, (3) DVOPs, or (4) LVERs.

With respect to administrative support, upon request from the Committee, the head of any Federal department or agency would be authorized to detail on a non-reimbursable basis personnel of that department or agency to the Committee to assist it in carrying out its duties. The Committee could contract with and compensate government and private agencies or persons to furnish information to employers with respect to the training and skills of veterans and disabled veterans, and the advantages of hiring veterans.

Not later than December 31 of each year from 2003 to 2005, the Secretary would be required to submit a report to Congress on the activities of the Committee for the previous fiscal year, including data with respect to placement and retention of veterans in jobs attributable to the activities of the Committee. The Committee would terminate 60 days after submitting its final report due on December 31, 2005. This section would authorize \$3 million to be appropriated to the Secretary of Labor from the employment security administration account (established in section 901 of the Social Security Act) of the Unemployment Trust Fund for each of fiscal years 2003 through 2005 for the President's National Hire Veterans Committee.

Assistant Secretary Juarbe, testifying in support of the provisions establishing the Committee, stated at the subcommittee's April 18, 2002, hearing, ". . . the National Hire Veterans Committee has the potential to add significant value to the entire employment and training community." Roger Madsen, Director of the Idaho Job Service, testified at the same hearing, "the added influence of our federal partner in marketing the skills and experience of our veterans is most welcome." Mr. Wesley Poriotis, Chairman of the non-profit Center for Military and Private-Sector Initiatives, also testified before the subcommittee on April 18, 2002, that:

What the country needs is a truly forceful diverse National Hire Veterans Committee that is structured to include high-level corporate level executive leadership . . . those with the "clout" to open the floodgates of corporate and business hiring for veterans.

The major task [is] eliminating what is clearly a pervasive bias of corporate deselection of veterans for quality employment opportunity at all levels, in all functions and disciplines and in all industries. This is especially true for the consumer package goods, pharmaceutical, retail, financial services, and other non-defense growth sectors.

Veterans as a class of individuals are vastly under-employed and are suffering from . . . stereotypes, myths, and deselective biases leading to artificial blockage into the

corporate sector. . . . With only one of six Americans under the age of 65 having served in the military, nearly all of the corporate hiring managers and their human resources support personnel had no point of reference about the military, its leadership, its work ethic, and its resourcefulness to manage projects from initiation to completion.

The committee recommends that the President's National Hire Veterans Committee consult the Business Roundtable, the Corporate Conference Board, the U.S. and State Chamber of Commerce, the Small Business Association, international business organizations, and other similar groups. It should reach out and market veterans as a unique national resource to the consumer package goods, pharmaceutical, retail, financial services and other non-defense segments.

Sense of Congress commending veterans and military organizations. Section 7 would commend veterans and military service organizations for the continued assistance the organizations provide veterans; and it would encourage them to provide job placement assistance to veterans who are job-ready by making personal computers available through access to electronic job placement services and programs at local posts and through other means.

Study on economic benefits to the United States of long-term sustained employment of veterans. Section 8 would require the Secretary of Labor to enter into a contract with an appropriate organization or entity to conduct a study to quantify the economic benefit to the United States attributable to the provision of employment and training services under chapter 41 of title 38, United States Code, in assisting veterans to attain long-term, sustained employment. The study would include analyses on the impact of such employment on federal, state, and local tax revenues generated by reason of such employment; the contributions of such employment on the domestic gross national product, and such other indicators of the effect of such employment on the economy of the United States. This section would authorize \$1,000,000 to be appropriated for the Secretary to carry out the study and such sums would remain available until expended. The Secretary would be required to submit a report on the study not later than 18 months after the date on which the Secretary enters into such contract.

SECTION-BY-SECTION ANALYSIS

Section 1(a) of the bill would provide that this Act may be cited as the "Jobs for Veterans Act".

Section 1(b) would provide that unless otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provisions of title 38, United States Code.

Section 1(c) would set forth the table of contents of this Act.

Section 2(a)(1) of the bill would amend chapter 42 of title 38, United States Code, by adding a new section: "Section 4215. Priority of service for veterans in Department of Labor job training programs".

Section 4215(a)(1) would define as “covered persons” for purposes of priority under this section: (1) a veteran, (2) a spouse of any of the following individuals, (a) a veteran who died of a service-connected disability, (b) any member of the armed forces who, at the time of application for assistance under this section, is listed, pursuant to section 556 of title 37 and regulations issued thereunder, by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than 90 days as (i) missing in action, (ii) captured in the line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power, (c) a veteran who has a total disability resulting from a service-connected disability, or (d) a veteran who died while a disability so evaluated was in existence.

Section 4215(a)(2) would define “qualified job training program” as any work force preparation, development, or delivery program or service that is directly funded, in whole or in part, by the Department of Labor. Qualified job training program would include the following: (1) any program or service that uses technology to assist individuals to access work force development programs (such as job and training opportunities, labor market information, career assessment tools, and related support services); (2) any program or service under the public employment service system, one-stop career centers, the Workforce Investment Act of 1998, a demonstration or other temporary program, and those programs implemented by States or local service providers based on Federal block grants administered by the Department of Labor; and (3) any program or service that is a workforce development program targeted to specific groups.

Section 4215(a)(3) would define “priority of service” with respect to any qualified job training program. A covered person shall be given priority over non-veterans for the receipt of employment, training, and placement services provided under that program, notwithstanding any other provision of law.

Section 4215(b)(1) would create a new entitlement to priority of service for covered persons under any qualified job training program if the person otherwise meets eligibility requirements for participation in such program.

Section 4215(b)(2) would provide that the Secretary of Labor may establish priorities among covered persons for purposes of this section to take into account the needs of disabled veterans and special disabled veterans, and such other factors as the Secretary determines appropriate.

Section 4215(c)(1) would require that any entity of a State or a political subdivision of the State that administers or delivers services under a qualified job training program shall provide information and priority of service to covered persons regarding benefits and services that may be obtained through other entities or service providers.

Section 4215(c)(2) would ensure that each covered person who applies to or is assisted by a program is informed of the employment-related rights and benefits to which the person is entitled under this section.

Section 4215(d) would insert additional requirements of the Secretary of Labor for inclusion in the annual report required under

section 4107(c) of title 38, United States Code, for the program year beginning in 2002. The Secretary shall evaluate whether covered persons are receiving priority of service and are being fully served by qualifying job training programs. Further, the report would evaluate whether the levels of service of such programs are in proportion to the incidence of representation of veterans in the labor market, including within groups that the Secretary may designate for priority under such programs, if any.

Section 2(b)(1) would amend section 4212(a) of title 38, United States Code, to require that any contract in the amount of \$100,000 or more entered into by any department or agency of the United States for the procurement of personal property and nonpersonal services (including construction) for the United States, shall contain a provision requiring that the party contracting with the United States take affirmative action to employ and advance in employment of qualified covered veterans. This section applies to any subcontract entered into by a prime contractor in carrying out any such contract.

Section 4212(a)(2) would require the Secretary of Labor, in addition to requiring affirmative action to employ such qualified covered veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, to prescribe regulations. Section 4212(a)(2)(A) would require that these regulations shall require each contractor for each contract to immediately list all of its employment openings with the appropriate employment service delivery system (as defined in section 4101(7) of title 38, United States Code). Such contractors may also list such openings with other entities. These entities would include one-stop career centers under the Workforce Investment Act of 1998, other appropriate service delivery points, or America's Job Bank (or any additional or subsequent national electronic job bank established by the Department of Labor). Contractors may exclude openings for executive and senior management positions, which are to be filled from within the contractor's organization and positions lasting three days or less.

Section 4212(a)(2)(B) would require each employment delivery system to give qualified covered veterans priority in referral to employment openings.

Section 4212(a)(2)(C) would require each employment delivery system to provide a list of employment openings to States, political subdivisions of States, or any private entities or organizations under contract to carry out employment, training, and placement services under chapter 41 of title 38, United States Code.

Section 4212(a)(3)(A) would define a "covered veteran" for purposes of federal contracts as a veteran who (1) is disabled; (2) served on active duty in the Armed Forces during a war or in a campaign or expedition for which a campaign badge has been authorized; (3) while serving on active duty in the Armed Forces, participated in a United States military operation for which an Armed Forces service medal was awarded; or (4) is a recently separated veteran.

Section 4212(a)(3)(B) would define the term "qualified," with respect to an employment position, as having the ability to perform

the essential functions of the position with or without reasonable accommodation for an individual with a disability.

Section 2(b)(2) would make conforming and technical changes to other provisions in chapter 42 of title 38, United States Code, to reflect the substantive changes made in section 4212 described above.

Section 2(b)(3) would require that the amendments made by this subsection shall apply with respect to contracts entered into on or after the first day of the first month that begins 12 months after the date of the enactment of this Act.

Section 2(c)(1) would amend section 4214(a)(1) to emphasize the desirability of recruiting veterans into a competent Federal work force and that veterans constitute a uniquely qualified recruiting source.

Section 2(c)(2)(A) would amend section 4214(b) by renaming the “Veterans’ Readjustment Appointment Program” as the “Veterans’ Recruitment Appointment Program.”

Section 2(c)(2)(B) would amend section 4214(b)(2) by revising the scope of the Veterans’ Recruitment Appointment Program so that it applies to qualified covered veterans as that term is defined above in the revisions to section 4212(a)(3).

Section 2(c)(2)(C)(i) through (v) would make technical amendments to section 4214(b).

Section 2(c)(3)(A) and (B) would make technical amendments to section 4214(a)(1).

Section 2(c)(3)(C) would amend section 4214(g) (pertaining to the Department of Veterans Affairs) by substituting “qualified covered veterans” for the phrase “qualified special disabled veterans and qualified veterans of the Vietnam era.”

Section 3(a)(1) of the bill would amend chapter 41 of title 38, United States Code, by adding a new section: “Section 4112 entitled “Performance incentive awards for quality employment, training, and placement services”.

Section 4112(a)(1) of title 38, United State Code, would require the Secretary of Labor to carry out a program, consistent with the provisions of this section, of performance incentive awards to States to encourage the improvement and modernization of employment, training, and placement services provided under chapter 41 of title 38, United States Code. The Secretary shall carry out the program through the Assistant Secretary of Labor for Veterans’ Employment and Training.

Section 4112(a)(2) would require that the Secretary make performance incentive awards for each program year, beginning with the program year that begins in fiscal year 2004, with respect to services provided under chapter 41 of title 38, United States Code, during the preceding program year.

Section 4112(b) would require that the Secretary establish criteria for eligibility for performance incentive awards for purposes of this section in consultation with representatives of States, political subdivisions of States, and other providers of employment, training, and placement services under the Workforce Investment Act of 1998 consistent with the performance measures established under section 4102A(b)(7) of title 38, United State Code.

Section 4112(c)(1) would require that the Secretary shall determine the amount of performance incentive awards in a State under this section by measuring the performance of the State in providing employment, training, and placement services furnished veterans and eligible persons in each State through employment service delivery systems, through disabled veterans' outreach program specialists, and through local veterans' employment representatives during the previous program year based on the measures of performance established under section 4102A(b)(7).

Section 4112(c)(2)(A) would require that in determining the amount of performance incentive awards, the Secretary provide greater amounts to those States which the Secretary determines furnished, during the preceding fiscal year, the highest quality employment, training, and placement services based on measures of performance.

Section 4112(c)(2)(B) would require that the Secretary provide awards to those States that have made significant improvements in the delivery of such services, as determined by the Secretary, but that do not meet criteria under subparagraph (A).

Section 4112(c)(2)(C) would require the Secretary to consider the applicable annual unemployment data for the State and other factors, such as prevailing economic conditions, that affect performance of individuals providing employment, training, and placement services in the State.

Section 4112(d) would require that amounts received by a State under this section be used to hire additional State veterans employment and training staff; or for such other purposes related to the provision of employment, placement, and training services as the Secretary may approve for services furnished under this chapter to veterans and eligible persons.

Section 4112(e) would require that a performance award be in addition to amounts made available to a State under section 4102A(b)(5).

Section 4112(f) would allow amounts made in a performance incentive award under this section to be obligated by the State during the program year in which the award was received and the subsequent program year.

Section 4112(g) would require that the Secretary shall carry out performance incentive awards from amounts appropriated pursuant to the authorization under section 4106(b)(2) of title 38, United States Code, and restrict the use of such amounts only to carry out this program.

Section 3(a)(2) would amend the table of sections at the beginning of chapter 41 of title 38, United States Code, relating to section 4111.

Section 3(b)(1) and (2) would amend section 4106(b) by providing that in addition to amounts authorized to be appropriated for carrying out the "regular program" of employment services, there are authorized to be appropriated to the Secretary to carry out the program of performance incentive awards under section 4112 of title 38 the following: \$10 million for the program for the program year beginning in fiscal year 2004; \$25 million for the program year beginning in fiscal year 2005; \$50 million for the program year begin-

ning in fiscal year 2006; \$75 million for the program year beginning in fiscal year 2007; and \$100 million for the program year beginning in fiscal year 2008; and for the program year beginning during fiscal year 2009 and each subsequent fiscal year, such sums as are necessary.

Section 4(a)(1) of the bill would amend sections 4102A and 4103 of title 38, United States Code, by adding program functions to the title.

Section 4102A(a)(1) would restate the duties of the Assistant Secretary of Labor for Veterans' Employment and Training, appointed by the President with the advice and consent of the Senate. This individual shall formulate and implement all departmental policies and procedures to carry out (A) the purposes of this chapter, chapter 42, and chapter 43 of this title, and (B) all other Department of Labor employment, unemployment, and training program to the extent they affect veterans. The Assistant Secretary of Labor for Veterans' Employment and Training shall be a veteran.

Section 4102A(a)(2) would restate without substantive change the existing requirement that the employees of the Department of Labor administering chapter 43 of this title shall be administratively and functionally responsible to the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET).

Section 4102A(a)(3)(A) would provide within the Department of Labor a Deputy Assistant Secretary for Veterans' Employment and Training (DASVET), who shall perform such functions as the ASVET prescribes, and who shall be a veteran.

Section 4102A(a)(3)(B) would classify the DASVET as a career Federal civil service position, in which the individual shall have at least five years of continuous service in the executive branch immediately preceding appointment as the DASVET. Further, this section would require for purposes of determining continuous service of the individual that there shall be excluded any service by the individual in a position (1) of a confidential, policy-determining, policy-making, or policy-advocating character, and (2) in which the individual served as a non-career appointee in the Senior Executive Service, as such term is defined in section 3132(a)(7) of title 5, or (3) to which the individual was appointed by the President.

Section 4102A(b) would require that the Secretary carry out certain specific program functions.

Section 4102A(b)(1) would require that except as expressly provided otherwise, the Secretary shall carry out provisions of this chapter and chapter 43 of title 38, United State Code, through the ASVET. Further, the Secretary shall administer through the Assistant Secretary all programs under the jurisdiction of the Secretary for the provision of employment and training services designed to meet the needs of all veterans and persons eligible for services furnished under this chapter.

Section 4102A(b)(2) would require that to make maximum use of available resources in meeting such needs, the Secretary shall encourage all veterans employment and training programs, and all grantees and contractors under such programs, to enter into cooperative arrangements with private industry and business concerns (including small business concerns owned by veterans or disabled

veterans), educational institutions, trade associations, and labor unions.

Section 4102A(b)(3) would require the Secretary to ensure that maximum effectiveness and efficiency are achieved in providing services and assistance to eligible veterans under all such programs by coordinating and consulting with the Secretary of Veterans Affairs with respect to (A) programs conducted under other provisions of this title, with particular emphasis on coordination of such programs with readjustment counseling activities carried out under section 1712A of title 38, United States Code, apprenticeship or other on-job training programs carried out under section 3687 of this title, and rehabilitation and training activities carried out under chapter 31 of this title and (B) determinations covering veteran population in a State.

Section 4102A(b)(4) would require the Secretary to ensure that employment, training, and placement activities are carried out in coordination and cooperation with appropriate State public employment service officials.

Section 4102A(b)(5), subject to subsection (c), would make available for use in each State by grant or contract such funds as may be necessary to support—(A) disabled veterans' outreach program specialists appointed under section 4103(a)(1) of this title, (B) local veterans' employment representatives assigned under section 4104(b) of this title, and (C) the reasonable expenses of such specialists and representatives described in subparagraphs (A) and (B), respectively, for training, travel, supplies, and other business expenses. These would include travel expenses and per diem for attendance at the National Veterans' Employment and Training Services Institute established under section 4109 of this title.

Section 4102A(b)(6) would require the Secretary to monitor and supervise on a continuing basis the distribution and use of funds provided for use in the States under paragraph (5).

Section 4102A(b)(7) would establish, and update as appropriate, a comprehensive performance accountability system (as described in subsection (f)) and carry out annual performance reviews of veterans employment, training, and placement services provided through employment service delivery systems, through disabled veterans' outreach program specialists (DVOPs), and through local veterans' employment representatives (LVERs) in States receiving grants, contracts, or awards under this chapter.

Section 4102A(c)(1) would require that the distribution of funds to carry out services furnished by disabled veterans' outreach program specialists and local veterans' employment representatives be subject to the continuing supervision and monitoring of the Secretary and not be governed by the provisions of any other law, or any regulations prescribed thereunder, that are inconsistent with this section or sections 4103A or 4104.

Section 4102A(c)(2)(A) would require that a State submit to the Secretary an application for a grant or contract for services that contain a plan that describes the manner in which the State shall furnish employment, training and placement services required under chapter 41 for the program year. Such plan would include a description of duties assigned by the State to disabled veterans' outreach program specialists and local veterans' employment rep-

representatives consistent with the requirements of sections 4013A and 4104 of this title; the manner in which disabled veterans' outreach program specialists and local veterans' employment representatives are to be integrated in the employment service delivery systems in the State; the veteran population to be served; and such additional information as the Secretary may require to make a determination with respect to awarding a grant or contract to the State.

Section 4102A(c)(B)(i) would revise, subject to the provisions of this subparagraph, the methods by which the Secretary furnishes DVOP and LVER funds to a State. This section would require the Secretary to make funds available for a fiscal year and make available to each State with an application approved by the Secretary, an amount of funding in proportion to the number of veterans seeking employment using such criteria as the Secretary may establish in regulation, including civilian labor force and unemployment data, for the State on an annual basis. The proportion of funding shall reflect the ratio of the total number of veterans residing in the State that are seeking employment, to the total number of veterans seeking employment in all States.

Section 4102A(c)(B)(ii) would require the Secretary to phase in over the three fiscal year period that begins on October 1, 2002, the manner in which amounts are made available to the States under subsection (b)(5) and this subsection, as amended by this Act.

Section 4102A(c)(B)(iii) would give the Secretary the discretionary authority to establish minimum funding levels and hold-harmless criteria for States in administering funding to the States.

Section 4102A(c)(3)(A) would provide that when a State has an entered-employment rate for veterans that the Secretary determines is deficient for the preceding year, the State would be required to develop and implement a corrective action plan that is submitted to the Secretary.

Section 4102A(c)(3)(B) would require the Secretary to establish in regulations a uniform national threshold entered-employment rate for a program year by which determinations of deficiency may be made.

Section 4102A(c)(3)(C) would require that in making such determinations, the Secretary shall take into account the applicable annual unemployment data for the State and consider other factors, such as prevailing economic conditions, that affect performance of individuals providing employment, training, and placement services in the State.

Section 4102A(c)(4) would provide that in determining the terms and conditions of a grant or contract for DVOP and LVER services, the Secretary must take into account (A) the results of reviews carried out through the comprehensive performance accountability system, regarding the performance of the employment, training, and placements delivery system in each State; and (B) the monitoring carried out under this section.

Section 4102A(c)(5)(A) and (B) would require that each grant or contract by which funds are made available to a State shall contain a provision requiring the recipient of the funds to comply with the provisions of chapter 41 of title 38, United States Code; and on an

annual basis, notify the Secretary of, and provide supporting rationale for, each non-veteran who is employed as a DVOP and LVER for a period in excess of six months.

Section 4102A(c)(6) would require that each State coordinate employment, training, and placement services furnished to veterans and eligible persons under this chapter with such services furnished with respect to such veterans and persons under the Workforce Investment Act of 1998 and the Wagner-Peyser Act.

Section 4102A(d) would require the Assistant Secretary for Veterans' Employment and Training to promote and monitor participation of qualified veterans and eligible persons in employment and training opportunities under title I of the Workforce Investment Act of 1998, and other federally-funded employment and training programs.

Section 4102A(e)(1) would retain current law requirements that the Secretary of Labor assign regional administrators to each region and that after October 9, 1996, any person assigned to such position must be a veteran.

Section 4102A(e)(2) would mandate that regional administrators carry out duties required by the Secretary to promote employment and reemployment of veterans in the region involved.

Section 4102A(f)(1) would require the Assistant Secretary for Veterans' Employment and Training, not later than three months after enactment, to establish and implement a comprehensive performance accountability system to measure the performance of employment service delivery systems, disabled veterans' outreach program specialists, and local veterans' employment representatives, providing employment, training, and placement services in a State.

Section 4102A(f)(2)(A) would require that such standards and measures shall be consistent with State performance measures applicable under section 136(b) of the Workforce Investment Act of 1998.

Section 4102A(f)(2)(b) would require that such standards and measures be appropriately weighted to provide special consideration for placement of veterans requiring intensive services (as defined in section 4101(9) of this title), such as special disabled and disabled veterans, and veterans who enroll in readjustment counseling under section 1712A of this title.

Section 4 of the bill would also amend the section heading of section 4103 to read "Directors and Assistant Directors for Veterans' Employment and Training"; additional Federal Personnel.'

Section 4103(a)(1) would require the Secretary to assign to each State a representative of VETS to serve as the Director for Veterans' Employment and Training (DVET) and full-time Federal clerical or other support personnel to each Director.

Section 4103(a)(2) would require that full-time Federal clerical or other support personnel assigned to Directors for Veterans' Employment and Training be appointed in accordance with the provisions of title 5 governing appointments in the competitive service and be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5.

Section 4103(b)(1) would permit the Secretary to assign as supervisory personnel such representatives of Veterans' Employment

and Training Service (VETS) as the Secretary determines appropriate, including Assistant Directors for Veterans' Employment and Training (ADVETs).

Section 4103(b)(2) would amend items relating to sections 4102A and 4103, respectively, at the beginning of chapter 41 in title 38, United States Code.

Section 4103(b)(3)(A)(i) would repeal section 4104A.

Section 4103(b)(3)(A)(ii) would amend the sections in chapter 41 by striking the item related to section 4104A.

Section 4103 (b)(3)(B) would amend section 4107(b) by substituting "The Secretary shall establish performance standards established under section 4102A(f) of this title" for "The Secretary shall establish definitive performance standards".

Section 4103(b)(4) would require that the amendments made by this subsection take effect on December 1, 2002, and apply to appointments made on or after that date.

Section 4(b) would revise the statutorily defined duties of DVOPs and LVERs.

Section 4(b)(1) would amend section 4103A regarding DVOPs.

Section 4103A(a)(1) would require that subject to the approval of the Secretary, a State shall employ such full- or part-time DVOPs and LVERs as the State determines appropriate and efficient to carry out intensive services under this chapter to meet the employment needs of eligible veterans with the following priority in provision of services: special disabled veterans; other disabled veterans; and other eligible veterans in accordance with priorities determined by the Secretary taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of title 38, United States Code.

Section 4103A(a)(2) would require that the Secretary place maximum emphasis on meeting the employment needs of veterans who are economically or educationally disadvantaged.

Section 4103A(b) would require that a State, to the maximum extent practicable, employ qualified veterans to carry out DVOP services, and that preference to qualified disabled veterans be given in hiring such specialists.

Section 4(b)(2) would amend section 4104(a) to require that subject to the approval of the Secretary, a State employ such full and part-time LVERs as the State determines appropriate and efficient to carry out employment, training, and placement services under this chapter.

Section 4104(b)(1) would require as a principal duty, LVERs conduct outreach to employers in the area to assist veterans in gaining employment, including conducting seminars and, in conjunction with employers, conducting job search workshops and establishing job search groups.

Section 4104(b)(2) would require that a LVER facilitate employment, training, and placement services furnished to veterans in a State under the applicable State employment delivery system.

Section 4104(c) would require that a State, to the extent practicable, employ qualified veterans to carry out duties of LVERs.

Section 4104(d) would require that each LVER be administratively responsible to the manager of the employment service delivery system and provide reports, not less frequently than quarterly, to the manager of such office and to the DVET regarding compliance with Federal law and regulations with respect to special services and priorities for eligible veterans and eligible persons.

Section 4(b)(3) would establish an effective date of December 1, 2002, for this subsection revising duties of DVOPs and LVERs, and apply to appointments made on or after that date.

Section 4(c) would require that not later than 18 months after the date of enactment, the Secretary provide one-stop services and assistance to eligible veterans and persons electronically by means of the Internet, as defined in section 231(e)(3) of the Communications Act of 1934, and such other electronic means to enhance the delivery of such services and assistance.

Section 4(d)(1) would amend 4106(a) by substituting for the last sentence: “Each budget submission with respect to such funds shall include a separate listing of the amount for the National Veterans’ Employment and Training Services Institute together with information demonstrating the compliance of such budget submission with the funding requirements specified in the preceding sentence.”

Section 4(d)(2) would establish an effective date for the above provision with respect to NVETSI take effect on the date of enactment of this Act, and apply to budget submissions for fiscal year 2004 and each subsequent fiscal year.

Section 4(e)(1) would make conforming amendments to section 4107(c)(5).

Section 4(e)(2) would make a conforming amendment to section 3117(a)(1)(B) to read “utilization of employment, training, and placement services under chapter 41 of this title.”

Section 5(a)(1)(A) of the bill would amend section 4101 of title 38, United State Code, by adding at the end a new paragraph 9 to define the term “intensive services” as local employment and training services of the type described in section 134(d)(3) of the Workforce Investment Act of 1998.

Section 5(a)(1)(B) would amend section 4102 by substituting “job and job training intensive service program” for “job and job training counseling service program”.

Section 5(a)(1)(C) would amend section 4106(a) by substituting “proper intensive services” for “proper counseling”.

Section 5(a)(1)(D) would amend section 4107(a) by substituting “intensive services” for “employment counseling services”.

Section 5(a)(1)(E) would amend section 4107(c)(1) substituting “the number who received intensive services” for “the number counseled”.

Section 5(a)(1)(F) would amend section 4109(a) by substituting “intensive services” for “counseling”.

Section 5(a)(2) would provide that the definitions and reporting changes made in this section to take effect on the date of enactment of this Act.

Section 5(b)(1)(A) would amend section 4102 to add to the programs the Assistant Secretary of Labor for Veterans’ Employment

and Training administers those programs to ease the transition of servicemembers to civilian careers that are consistent with, or an outgrowth of, the military experience of the servicemembers.

Section 5(b)(1)(B) would amend section 4102 substituting “veterans who served on active duty during a war or in a campaign or expedition for which a campaign has been authorized” for “veterans of the Vietnam era.”

Section 5(b)(2) would provide that the amendments made by paragraph (1) take effect on the date of enactment of this Act.

Section 5(c)(1) would amend section 4101(7) to define the term “employment service delivery system” to mean a system at which or through which labor exchange services, including employment, training or placement services, are offered in accordance with the Wagner-Peyser Act.

Section 5(c)(2) would provide that the amendment made by paragraph (4) take effect on the date of enactment of this Act.

Section 5(d)(1)(A) would amend section 4107(c)(1), with respect to the Secretary of Labor’s annual report to the Committees on Veterans’ Affairs of the Senate and the House of Representatives in carrying out employment and training services to veterans and eligible persons. This section would repeal the reporting requirement for “veterans of the Vietnam era” and “eligible persons who registered for assistance with” the public employment service system. This section would add a new reporting requirement to include “eligible persons, recently separated veterans (as defined in section 4211(6) of this title) and servicemembers transitioning to civilian careers who registered for assistance with, or who are identified as veterans by” the public employment system.

Section 5(d)(1)(B) would amend section 4107(c)(2), with respect to requirements for an annual report by the Secretary, to substitute “the rate of entered employment (as determined in a manner consistent with State performance measures applicable under section 136(b) of the Workforce Investment Act of 1998)” for “the job placement rate” the first time it appears. This section would further substitute “such rate of entered employment (as so determined)” for “the job placement rate” the second time it appears.

Section 5(d)(1)(C) would amend section 4107(c)(4) by substituting “section 4212(d)” for “sections 4103A and 4104”.

Section 5(d)(1)(D) further would amend section 4107(c) by adding at the end a new paragraph requiring a report on the operation during the preceding year of the program of performance incentive awards for quality employment services under section 4112 of the title, including an analysis of the amount of incentives distributed to each State and the rationale for such distribution.

Section 5(d)(1)(E) further would amend section 4107(b) by substituting for the second sentence the following: “Not later than February 1 of each year, the Secretary shall report to the Committees on Veterans’ Affairs of the Senate and the House of Representatives on the performance of States and organizations and entities carrying out employment, training, and placement services under this chapter, as measured under subsection (b)(7) of section 4102A of this title. In the case of a State that the Secretary determines has not met the minimum standard of performance (established by

the Secretary under subsection (f) of this section), the Secretary shall include an analysis of the extent and reasons for the State's failure to meet that minimum standard, together with the State's plan for the corrective action during the succeeding year."

Section 5(d)(2) would require that the amendments made by paragraph (1) shall apply to reports for program years beginning on or after July 1, 2002.

Section 5(e) would amend section 4109 by adding at the end a new subsection (c)(1) providing that nothing in this section be construed as preventing the National Veterans' Employment and Training Services Institute to enter into contracts or agreements with departments or agencies of the United States or of a State, or with other organizations, to carry out training of personnel of such departments, agencies, or organizations in the provision of services referred to in subsection (a). This section would also amend section 4109 to require in (c)(2) that all proceeds collected by the Institute under such contract or agreement referred to in paragraph (1) above shall be applied to the applicable appropriation.

Section 6(a) of the bill would establish within the Department of Labor a committee to be known as the President's National Hire Veterans Committee.

Section 6(b) would require that the Committee shall carry out a national program to: (1) furnish information to employers with respect to the training and skills of veterans and disabled veterans and the advantages afforded employers by hiring veterans with such training and skills, and (2) facilitate employment of veterans and disabled veterans in America's Career Kit national labor exchange, and other means.

Section 6(c)(1)(A) and (B) would require the Secretary of Labor to appoint 15 individuals to serve as members of the Committee, of whom seven shall be appointed from among representatives nominated by the following organizations: The Ad Council, The National Committee for Employer Support of the Guard and Reserve, veterans' service organizations that have a national employment program, State employment security agencies, one-stop career centers, State departments of veterans affairs, and military service organizations. The Secretary would be required to appoint eight members from among representatives nominated by businesses, small businesses, industries, companies in the private sector that furnish placement services, civic groups, workforce investment boards, and labor unions.

Section 6(c)(2) would set forth the following ex officio, nonvoting members of the Committee: The Secretary of Veterans Affairs, the Secretary of Defense, the Assistant Secretary of Labor for Veterans' Employment and Training, the Administrator of the Small Business Administration, the Postmaster General, and the Director of the Office of Personnel Management.

Section 6(c)(3) would provide that a vacancy in the Committee be filled in the manner in which the original appointment was made.

Sections 6(d)(1) through (2)(d)(6) would set forth Committee's administrative requirements with respect to frequency of meetings, appointing a chairman, compensation, reasonable and necessary

travel expenses, staffing and administrative support, non-reimbursable details, and contracting authority.

Section 6(e) would require the Secretary of Labor to report annually to Congress, not later than December 31, 2003 through 2005, on the activities of the Committee during the previous fiscal year, and include in such report data with respect to placement and retention of veterans in jobs attributable to the activities of the Committee.

Section 6(f) would require that the Committee terminate 60 days after submitting the report that is due on December 31, 2005.

Section 6(g) would authorize appropriations of \$3,000,000 for each of fiscal years 2003 through 2005 to the Secretary of Labor from the Employment Security Administration account (established in section 901 of the Social Security Act (42 U.S.C. 1101)) in the Unemployment Trust Fund to carry out the provisions of section 6.

Section 7 of the bill would provide a sense of the Congress commending veterans and military service organizations for the continued assistance they provide veterans, and encourage that such organizations provide job placement assistance to veterans who are job-ready by making personal computers available with access to electronic job placement services and programs available at local posts and through other means.

Section 8(a) of the bill would require the Secretary of Labor to enter into a contract with an appropriate organization or entity to conduct a study on the economic benefits to the United States attributable to the provisions of services under chapter 41 in assisting long-term sustained employment of veterans. This section also specifies the analyses such study shall include.

Section 8(b) would require that a condition of the contract under subsection (a) be that the organization submit to the Secretary of Labor a report on the study conducted by the organization not later than 18 months after the date on which that Secretary enters into such contract.

Section 8(c) would authorize \$1,000,000 be appropriated to the Secretary of Labor to carry out the provisions of this section, such sums to remain available until expended.

PERFORMANCE GOALS AND OBJECTIVES

The reported bill would authorize performance incentive awards for, and enhancements in, the delivery of veterans employment, training, and placement services under laws administered by the Secretary of Labor in accordance with chapters 41, 42, and 43 of title 38, United States Code. Program performance goals and objectives are established in annual performance plans and are subject to the Committee's regular oversight.

STATEMENT OF ADMINISTRATION'S VIEWS

Statement of Frederico Juarbe Jr., Assistant Secretary for Veterans' Employment and Training, before the Subcommittee on Benefits, Committee on Veterans' Affairs, U.S. House of Representatives, April 18, 2002

Mr. Chairman and Distinguished Members of the Subcommittee:

Thank you for inviting me to testify today on H.R. 4015, the "Jobs for Veterans Act." This is my first opportunity to appear before this Subcommittee as the Assistant Secretary for Veterans' Employment and Training and it is an honor for me.

The Administration is deeply committed to helping our veterans find high-quality jobs. Our Nation's veterans deserve nothing less than access to high-quality services in both employment and training. This Administration understands and deeply appreciates the patriotism, dedication, skills and experiences veterans bring to the civilian labor force.

We appreciate the keen interest of this Subcommittee in helping to move the Veterans' Employment and Training Service (VETS) into the 21st century by removing many of the statutory roadblocks that have tied us to the past.

As the Subcommittee is aware, the Administration also has a proposal for improving employment services for veterans, which will be introduced in the near future. That proposal reflects the core principles of competitive, performance-based funding as the best way to improve services to veterans. The proposal would, on a temporary basis until such time as the competitive provisions are in place, transfer administration of the grants programs for the current Disabled Veteran Outreach Program (DVOP), the Local Veteran Employment Representative (LVER), and the Homeless Veterans Reintegration Program (HVRP) to the Department of Veterans Affairs. The DVOP and LVER programs would remain in effect until the Secretary of Veterans Affairs implements a new program of employment-related services that would require competition, be results-based, and provide an integrated, seamless continuum of services to veterans.

We are continuing to review H.R. 4015 and do not presently have a position on every provision of the bill. However, because the bill has a number of elements that have similar goals to the Administration's plan, we can support the intent of a number of aspects of H.R. 4015. I will now comment on some of the major provisions of H.R. 4015.

The repeal of the statutorily defined duties of DVOP Specialists and LVERs has long been necessary and would go a long way toward improving Chapter 41 of Title 38 of the United States Code. This would provide us, and those delivering services in the respective states, with needed flexibility and would help provide a renewed focus on the best ways of achieving the mission and goals of this agency. The Department of Labor endorses the idea of providing states the flexibility to deploy resources to secure needed coverage in rural, remote or underserved areas. Under H.R. 4015, states would be able to more effectively determine where DVOPs and LVERs should be placed with the use of half-time DVOPs, similar to half-time LVERs. In our view, flexibility is critical to making services more accessible to veterans.

Incorporating the expectation of high performance is an essential component of an effective workforce system. H.R. 4015 provides incentives not only to those states that provide the highest levels of performance, but also to those states that show significant improvements. In addition, the Committee's proposal permits incentive awards to be used for additional staffing, modernization of service delivery and pilot projects to test new approaches to enhance services to America's veterans. We believe that the Administration's bill would provide stronger incentives for high performance by adding consequences for poor performance. Our bill also takes a different approach to modernizing service delivery through pilot projects coordinated at the national level.

Other positive elements of this bill include the elimination of the state residency requirement and relief from the application of formula requirements. Residence and formula requirements have hindered the deployment of staff in response to workload requirements and deprived deserving individuals of opportunities for career growth. We believe that veterans should fill the political and senior-level positions, and intend to act accordingly, but we note that the legislation should be amended to provide that the holders of those positions "should" be a veteran, rather than "shall" be a veteran. Also, the legislation should be amended to provide that no person "should" rather than "may" be appointed as Deputy Assistant Secretary of Labor for Veterans' Employment and Training unless the person has five years of Government service as a career civil servant. As a constitutional matter, the Congress cannot unduly burden the nomination and appointment power of the President, in the case of the Assistant Secretary, and the appointment power of the Secretary, in the case of the other positions, by substantially restricting the pool of qualified persons from which the nomination or appointment may be made.

If there is one consistent message that I hear from our state partners, it is to give the states greater flexibility. The current staffing grant formula process for the allocation and assignment of positions does not address the individual requirements of states in providing services to veterans. Economic and demographic conditions, including consideration for rural, urban, inner city, and suburban areas, are just a few

of the factors that impact on a state's need to determine assignment of positions. By removing the current restrictions on the assignment and types of positions funded by formula, this bill would allow the states the opportunity to develop service delivery plans that address their unique needs and situations.

As the Subcommittee knows, the Veterans' Employment and Training Service will implement new state performance measures that are aligned with those of the Workforce Investment Act (WIA), beginning in July of this year. This makes it easier for service providers to achieve the overall national goal of integrating and streamlining employment and training services through the One-Stop delivery system.

The Subcommittee has recognized the important role employers play in the employment and training arena by the establishment of the "President's National Hire Veterans Committee" in H.R. 4015. The Hire Veterans Committee would increase employers' awareness of the advantages of hiring veterans and utilizing their military training to enhance the employers' workforce. The Hire Veterans Committee also may be able to help narrow the skill gaps between military and civilian licensing and certification requirements. In sum, the Hire Veterans Committee has the potential to add significant value to the entire employment and training community.

In conclusion, VETS supports bringing Title 38 up to date to meet the needs of the 21st century veteran and the 21st century workplace. The Administration commends the Subcommittee on its bipartisan approach to do that. We look forward to continuing to work with this Subcommittee on both H.R. 4015 and the Administration's proposal in an effort to enhance veterans' training and employment.

Thank you again for the opportunity to address these important issues.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

The following letter was received from the Congressional Budget Office concerning the cost of the reported bill:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 10, 2002.

Hon. CHRISTOPHER H. SMITH
*Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4015, the Jobs for Veterans Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Christina Hawley Sadoti (for federal costs), who can be reached at 226-2820, and Leo Lex (for the state and local impact), who can be reached at 226-3220.

Sincerely,

DAN L. CRIPPEN,
Director.

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE May 10, 2002

H.R. 4015, JOBS FOR VETERANS ACT, AS ORDERED REPORTED BY THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS ON MAY 9, 2002

SUMMARY

H.R. 4015 would make changes to provisions that govern federal employment and training programs for veterans, and also would raise the threshold at which contractors with the federal government must comply with veterans employment provisions. The bill

also would authorize a new grant program of incentive awards to states that meet certain performance measures, and would create a President's National Hire Veterans Committee. Assuming the appropriation of the amounts authorized in the bill, CBO estimates that the new provisions would cost \$72 million over the 2003–2007 period. This bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

H.R. 4015 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would place new requirements on states that administer job training and employment programs and receive federal funding. Consequently, those requirements are conditions of federal assistance and not intergovernmental mandates. The bill also would increase funding for veterans employment programs through new incentive awards to states.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4015 is shown in the following table. The cost of this legislation falls within budget function 700 (veterans benefits and services).

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Performance Incentive Awards					
Authorization Level	0	10	25	50	75
Estimated Outlays	0	1	6	19	38
President's National Hire Veterans Committee					
Authorization Level	3	3	3	0	0
Estimated Outlays	1	3	3	2	0
Department of Labor Study					
Authorization Level	1	0	0	0	0
Estimated Outlays	*	1	0	0	0
Total Changes					
Authorization Level	4	13	28	50	75
Estimated Outlays	2	5	9	20	38

Notes: Components may not sum to totals because of rounding.

* = Less than \$500,000.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 4015 will be enacted by September 30, 2002, and that the authorized amounts will be appropriated for each year. Outlays are based on historical spending patterns for similar programs.

H.R. 4015 would authorize performance incentive awards for states to encourage the improvement and modernization of employment, training, and placement services for veterans. The bill would authorize appropriations of \$10 million in 2004, \$25 million in 2005, \$50 million in 2006, \$75 million in 2007, \$100 million in 2008, and such sums as may be necessary for 2009 and subsequent fiscal years.

In addition, H.R. 4015 would authorize a committee within the Department of Labor (DOL) to raise employer awareness of the skills of veterans and of the benefits of hiring veterans. The bill would authorize \$3 million each year for fiscal years 2003 through 2005 for this President's National Hire Veterans Committee.

H.R. 4015 would authorize the appropriation of \$1 million for DOL to produce a study on the economic benefit to the United States attributable to providing employment and training services to veterans.

H.R. 4015 would increase the threshold amount of \$25,000 to \$100,000 for contracts under which a contractor must comply with veterans employment provisions. While the increase in the threshold could decrease administrative costs to review contracts, CBO does not estimate any significant impact.

In addition, the legislation would amend the definition of a covered veteran in the veterans employment provisions of federal contracts. The bill would add certain post-Vietnam veterans to be included in the definition of covered veterans. Although this change would increase administrative costs, CBO estimates the cost of implementing this provision would be insignificant.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 4015 contains no intergovernmental mandates as defined in UMRA. The bill would place new requirements on states that administer job training and employment programs and receive federal funding. Consequently, those requirements are conditions of federal assistance and not intergovernmental mandates. The bill also would increase funding for veterans employment programs through new incentive awards to states.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no private-sector mandates as defined in UMRA.

ESTIMATE PREPARED BY:

Federal Spending: Christina Hawley Sadoti and Matthew Pickford

Impact on State, Local, and Tribal Governments: Leo Lex

Impact on the Private Sector: Ralph Smith

Estimate approved by:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis

APPLICABILITY TO LEGISLATIVE BRANCH

The reported bill would not be applicable to the legislative branch under the Congressional Accountability Act, Public Law 104-1, because the bill would only affect certain Department of Labor programs and recipients.

STATEMENT OF FEDERAL MANDATES

The reported bill would not establish a federal mandate under the Unfunded Mandates Reform Act, Public Law 104-4.

Statement of Constitutional Authority

Pursuant to Article I, section 8 of the United States Constitution, the reported bill is authorized by Congress' power "[T]o provide for the common Defense and general Welfare of the United States."

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * *

PART III—READJUSTMENT AND RELATED BENEFITS

* * * * *

CHAPTER 31—TRAINING AND REHABILITATION FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES

* * * * *

§ 3117. Employment assistance

(a)(1) * * *

(A) direct placement of such veteran in employment;

【(B) utilization of the services of disabled veterans outreach program specialists under section 4103A of this title; and】

(B) *utilization of employment, training, and placement services under chapter 41 of this title; and*

* * * * *

CHAPTER 41—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICE FOR VETERANS

Sec.

4100. Findings.

* * * * *

【4102A. Assistant Secretary of Labor for Veterans' Employment and Training; Regional Administrators.

【4103. Directors and Assistant Directors for Veterans' Employment and Training.】

4102A. *Assistant Secretary of Labor for Veterans' Employment and Training; Program functions; Regional Administrators.*4103. *Directors and Assistant Directors for Veterans' Employment and Training; Additional federal personnel.*

* * * * *

【4104A. Performance of disabled veterans' outreach program specialists and local veterans' employment representatives.】

* * * * *

4112. *Performance incentive awards for quality employment, training, and placement services.*

* * * * *

§ 4101. Definitions

For the purposes of this chapter—

(1) * * *

* * * * *

[(7) The term “local employment service office” means a service delivery point which has an intrinsic management structure and at which employment services are offered in accordance with the Wagner-Peyser Act.]

(7) *The term “employment service delivery system” means a service delivery system at which or through which labor exchange services, including employment, training, and placement services, are offered in accordance with the Wagner-Peyser Act.*

* * * * *

(9) *The term “intensive services” means local employment and training services of the type described in section 134(d)(3) of the Workforce Investment Act of 1998.*

* * * * *

§ 4102. Purpose

The Congress declares as its intent and purpose that there shall be an effective (1) [job and job training counseling service program,] *job and job training intensive services program*, (2) employment placement service program, and (3) job training placement service program for eligible veterans and eligible persons and that, to this end policies and regulations shall be promulgated and administered by an Assistant Secretary of Labor for Veterans’ Employment and Training, established by section 4102A of this title, through a Veterans’ Employment and Training Service within the Department of Labor, so as to provide such veterans and persons the maximum of employment and training opportunities, with priority given to the needs of disabled veterans [and veterans of the Vietnam era] *and veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized through existing programs, coordination and merger of programs and implementation of new programs[.], including programs carried out by the Veterans’ Employment and Training Service to implement all efforts to ease the transition of servicemembers to civilian careers that are consistent with, or an outgrowth of, the military experience of the servicemembers.*

[§ 4102A. Assistant Secretary of Labor for Veterans’ Employment and Training; Regional Administrators

[(a)(1) There is established within the Department of Labor an Assistant Secretary of Labor for Veterans’ Employment and Training, appointed by the President by and with the advice and consent of the Senate, who shall be the principal advisor to the Secretary with respect to the formulation and implementation of all departmental policies and procedures to carry out (A) the purposes of this chapter, chapter 42, and chapter 43 of this title, and (B) all other Department of Labor employment, unemployment, and training programs to the extent they affect veterans. The employees of the Department of Labor administering chapter 43 of this title shall be administratively and functionally responsible to the Assistant Secretary of Labor for Veterans’ Employment and Training.

[(2) There shall be within the Department of Labor a Deputy Assistant Secretary of Labor for Veterans' Employment and Training. The Deputy Assistant Secretary shall perform such functions as the Assistant Secretary of Labor for Veterans' Employment and Training prescribes. The Deputy Assistant Secretary shall be a veteran.

[(b) The Secretary shall—

[(1) except as expressly provided otherwise, carry out all provisions of this chapter and chapter 43 of this title through the Assistant Secretary of Labor for Veterans' Employment and Training and administer through such Assistant Secretary all programs under the jurisdiction of the Secretary for the provision of employment and training services designed to meet the needs of disabled veterans, veterans of the Vietnam era, and all other eligible veterans and eligible persons;

[(2) in order to make maximum use of available resources in meeting such needs, encourage all such programs and all grantees under such programs to enter into cooperative arrangements with private industry and business concerns (including small business concerns), educational institutions, trade associations, and labor unions;

[(3) ensure that maximum effectiveness and efficiency are achieved in providing services and assistance to eligible veterans under all such programs by coordinating and consulting with the Secretary of Veterans Affairs with respect to (A) programs conducted under other provisions of this title, with particular emphasis on coordination of such programs with readjustment counseling activities carried out under section 1712A of this title, apprenticeship or other on-the-job training programs carried out under section 3687 of this title, and rehabilitation and training activities carried out under chapter 31 of this title, and (B) the Veterans' Job Training Act (29 U.S.C. 1721 note);

[(4) ensure that job placement activities are carried out in coordination and cooperation with appropriate State public employment service officials;

[(5) subject to subsection (c)(2) of this section, make available for use in each State, directly or by grant or contract, such funds as may be necessary (A) to support (i) disabled veterans' outreach program specialists appointed under section 4103A(a)(1) of this title, and (ii) local veterans' employment representatives assigned under section 4104(b) of this title, and (B) to support the reasonable expenses of such specialists and representatives for training, travel, supplies, and fringe benefits, including travel expenses and per diem from attendance at the National Veterans' Employment and Training Services Institute established under section 4109 of this title;

[(6) monitor and supervise on a continuing basis the distribution and use of funds provided for use in the States under paragraph (5) of this subsection; and

[(7) monitor the appointment of disabled veterans' outreach specialists and the assignment of local veterans' employment representatives in order to ensure compliance with the provisions of sections 4103A(a)(1) and 4104(a)(4), respectively, of this title.

[(c)(1) The distribution and use of funds under subsection (b)(5) of this section in order to carry out sections 4103A(a) and 4104(a) of this title shall be subject to the continuing supervision and monitoring of the Secretary and shall not be governed by the provisions of any other law, or any regulations prescribed thereunder, that are inconsistent with this section or section 4103A or 4104 of this title.

[(2) In determining the terms and conditions of a grant or contract under which funds are made available in a State in order to carry out section 4103A or 4104 of this title, the Secretary shall take into account (A) the results of the evaluations, carried out pursuant to section 4103(c)(15) of this title, of the performance of local employment offices in the State, and (B) the monitoring carried out under this section.

[(3) Each grant or contract by which funds are made available in a State shall contain a provision requiring the recipient of the funds to comply with the provisions of this chapter.

[(d) The Assistant Secretary of Labor for Veterans' Employment and Training shall promote and monitor participation of qualified veterans and eligible persons in employment and training opportunities under title I of the Workforce Investment Act of 1998 and other federally funded employment and training programs.

[(e)(1) The Secretary shall assign to each region for which the Secretary operates a regional office a representative of the Veterans' Employment and Training Service to serve as the Regional Administrator for Veterans' Employment and Training in such region. A person may not be assigned after October 9, 1996, as such a Regional Administrator unless the person is a veteran.

[(2) Each such Regional Administrator shall be responsible for—

[(A) ensuring the promotion, operation, and implementation of all veterans' employment and training programs and services within the region;

[(B) monitoring compliance with section 4212 of this title with respect to veterans' employment under Federal contracts within the region;

[(C) protecting and advancing veterans' reemployment rights within the region; and

[(D) coordinating, monitoring, and providing technical assistance on veterans' employment and training programs with respect to all entities receiving funds under grants from or contracts with the Department of Labor within the region.

§ 4103. Directors and Assistant Directors for Veterans' Employment and Training

[(a) The Secretary shall assign to each State a representative of the Veterans' Employment Service to serve as the Director for Veterans' Employment and Training, and shall assign full-time Federal clerical or other support personnel to each such Director. The Secretary shall also assign to each State one Assistant Director for Veterans' Employment and Training per each 250,000 veterans and eligible persons of the State veterans population and such additional Assistant Directors for Veterans' Employment and Training as the Secretary shall determine, based on the data collected pursuant to section 4107 of this title, to be necessary to assist the Director for Veterans' Employment and Training to carry out effec-

tively in that State the purposes of this chapter. Full-time Federal clerical or other support personnel assigned to Directors for Veterans' Employment and Training shall be appointed in accordance with the provisions of title 5 governing appointments in the competitive service and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5.

[(b)(1)(A) Each Director for Veterans' Employment and Training and Assistant Director for Veterans' Employment and Training (i) shall, except as provided in subparagraph (B) of this paragraph, be a qualified veteran who at the time of appointment has been a bona fide resident of the State for at least two years, and (ii) shall be appointed in accordance with the provisions of title 5 governing appointments in the competitive service and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5.

[(B) If, in appointing a Director or Assistant Director for any State under this section, the Secretary determines that there is no qualified veteran available who meets the residency requirement in subparagraph (A)(i), the Secretary may appoint as such Director or Assistant Director any qualified veteran.

[(2) Each Director for Veterans' Employment and Training and Assistant Director for Veterans' Employment and Training shall be attached to the public employment service system of the State to which they are assigned. They shall be administratively responsible to the Secretary for the execution of the veterans' and eligible persons' counseling and placement policies of the Secretary through the public employment service system and in cooperation with other employment and training programs administered by the Secretary by grantees of Federal or federally funded employment and training programs in the State, or directly by the State.

[(c) In cooperation with the staff of the public employment service system and the staffs of each such other program in the State, the Director for Veterans' Employment and Training and Assistant Directors for Veterans' Employment and Training shall—

[(1)(A) functionally supervise the provision of services to eligible veterans and eligible persons by such system and such program and their staffs, and (B) be functionally responsible for the supervision of the registration of eligible veterans and eligible persons in local employment offices for suitable types of employment and training and for counseling and placement of eligible veterans and eligible persons in employment and job training programs, including the program conducted under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note);

[(2) engage in job development and job advancement activities for eligible veterans and eligible persons, including maximum coordination with appropriate officials of the Department of Veterans Affairs in that agency's carrying out of its responsibilities under subchapter II of chapter 77 of this title and in the conduct of job fairs, job marts, and other special programs to match eligible veterans and eligible persons with appropriate job and job training opportunities and otherwise to promote the employment of eligible veterans and eligible persons;

[(3) assist in securing and maintaining current information as to the various types of available employment and training opportunities, including maximum use of electronic data processing and telecommunications systems and the matching of an eligible veteran's or an eligible person's particular qualifications with an available job or on-job training or apprenticeship opportunity which is commensurate with those qualifications;

[(4) promote the interest of employers and labor unions in employing eligible veterans and eligible persons and in conducting on-job training and apprenticeship programs for such veterans and persons;

[(5) maintain regular contact with employers, labor unions, training programs and veterans' organizations with a view to keeping them advised of eligible veterans and eligible persons available for employment and training and to keeping eligible veterans and eligible persons advised of opportunities for employment and training;

[(6) promote and facilitate the participation of veterans in Federal and federally funded employment and training programs and directly monitor the implementation and operation of such programs to ensure that eligible veterans, veterans of the Vietnam era, disabled veterans, and eligible persons receive such priority or other special consideration in the provision of services as is required by law or regulation;

[(7) assist in every possible way in improving working conditions and the advancement of employment of eligible veterans and eligible persons;

[(8) supervise the listing of jobs and subsequent referrals of qualified veterans as required by section 4212 of this title;

[(9) be responsible for ensuring that complaints of discrimination filed under such section are resolved in a timely fashion;

[(10) working closely with appropriate Department of Veterans Affairs personnel engaged in providing counseling or rehabilitation services under chapter 31 of this title, cooperate with employers to identify disabled veterans who have completed or are participating in a vocational rehabilitation training program under such chapter and who are in need of employment;

[(11) cooperate with the staff of programs operated under section 1712A of this title in identifying and assisting veterans who have readjustment problems and who may need employment placement assistance or vocational training assistance; and

[(12) when requested by a Federal or State agency or a private employer, assist such agency or employer in identifying and acquiring prosthetic and sensory aids and devices which tend to enhance the employability of disabled veterans;

[(13) monitor the implementation of Federal laws requiring veterans preference in employment and job advancement opportunities within the Federal Government and report to the Office of Personnel Management or other appropriate agency, for enforcement or other remedial action, any evidence of failure to provide such preference or to provide priority or other

special consideration in the provision of services to veterans as is required by law or regulation;

[(14) monitor, through disabled veterans' outreach program specialists and local veterans' employment representatives, the listing of vacant positions with State employment agencies by Federal agencies, and report to the Office of Personnel Management or other appropriate agency, for enforcement or other remedial action, any evidence of failure to provide priority or other special consideration in the provision of services to veterans as is required by law or regulation; and

[(15)(A) not less frequently than annually, conduct, subject to subclause (B) of this clause, an evaluation at each local employment office of the services provided to eligible veterans and eligible persons and make recommendations for corrective action as appropriate; and

[(B) carry out such evaluations in the following order of priority: (I) offices that demonstrated less than satisfactory performance during either of the two previous program years, (II) offices with the largest number of veterans registered during the previous program year, and (III) other offices as resources permit.]

§4102A. Assistant Secretary of Labor for Veterans' Employment and Training; program functions; Regional Administrators

(a) *ESTABLISHMENT OF POSITION OF ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING.*—(1) *There is established within the Department of Labor an Assistant Secretary of Labor for Veterans' Employment and Training, appointed by the President by and with the advice and consent of the Senate, who shall formulate and implement all departmental policies and procedures to carry out (A) the purposes of this chapter, chapter 42, and chapter 43 of this title, and (B) all other Department of Labor employment, unemployment, and training programs to the extent they affect veterans. The Assistant Secretary of Labor for Veterans' Employment and Training shall be a veteran.*

(2) *The employees of the Department of Labor administering chapter 43 of this title shall be administratively and functionally responsible to the Assistant Secretary of Labor for Veterans' Employment and Training.*

(3)(A) *There shall be within the Department of Labor a Deputy Assistant Secretary of Labor for Veterans' Employment and Training. The Deputy Assistant Secretary shall perform such functions as the Assistant Secretary of Labor for Veterans' Employment and Training prescribes. The Deputy Assistant Secretary shall be a veteran.*

(B) *No individual may be appointed as a Deputy Assistant Secretary of Labor for Veterans' Employment and Training unless the individual has at least five years of continuous service in the Federal civil service in the executive branch immediately preceding appointment as the Deputy Assistant Secretary. For purposes of determining such continuous service of an individual, there shall be excluded any service by the individual in a position—*

(i) of a confidential, policy-determining, policy-making, or policy-advocating character;

(ii) in which the individual served as a noncareer appointee in the Senior Executive Service, as such term is defined in section 3132(a)(7) of title 5; or

(iii) to which the individual was appointed by the President.

(b) PROGRAM FUNCTIONS.—The Secretary shall carry out the following functions:

(1) Except as expressly provided otherwise, carry out all provisions of this chapter and chapter 43 of this title through the Assistant Secretary of Labor for Veterans' Employment and Training and administer through such Assistant Secretary all programs under the jurisdiction of the Secretary for the provision of employment and training services designed to meet the needs of all veterans and persons eligible for services furnished under this chapter.

(2) In order to make maximum use of available resources in meeting such needs, encourage all such programs, and all grantees and contractors under such programs to enter into cooperative arrangements with private industry and business concerns (including small business concerns owned by veterans or disabled veterans), educational institutions, trade associations, and labor unions.

(3) Ensure that maximum effectiveness and efficiency are achieved in providing services and assistance to eligible veterans under all such programs by coordinating and consulting with the Secretary of Veterans Affairs with respect to (A) programs conducted under other provisions of this title, with particular emphasis on coordination of such programs with readjustment counseling activities carried out under section 1712A of this title, apprenticeship or other on-the-job training programs carried out under section 3687 of this title, and rehabilitation and training activities carried out under chapter 31 of this title and (B) determinations covering veteran population in a State.

(4) Ensure that employment, training, and placement activities are carried out in coordination and cooperation with appropriate State public employment service officials.

(5) Subject to subsection (c), make available for use in each State by grant or contract such funds as may be necessary to support—

(A) disabled veterans' outreach program specialists appointed under section 4103A(a)(1) of this title,

(B) local veterans' employment representatives assigned under section 4104(b) of this title, and

(C) the reasonable expenses of such specialists and representatives described in subparagraphs (A) and (B), respectively, for training, travel, supplies, and other business expenses, including travel expenses and per diem for attendance at the National Veterans' Employment and Training Services Institute established under section 4109 of this title.

(6) Monitor and supervise on a continuing basis the distribution and use of funds provided for use in the States under paragraph (5).

(7) Establish, and update as appropriate, a comprehensive performance accountability system (as described in subsection

(f) and carry out annual performance reviews of veterans employment, training, and placement services provided through employment service delivery systems, through disabled veterans' outreach program specialists, and through local veterans' employment representatives in States receiving grants, contracts, or awards under this chapter.

(c) *CONDITIONS FOR RECEIPT OF FUNDS.*—(1) The distribution and use of funds under subsection (b)(5) in order to carry out sections 4103A(a) and 4104(a) of this title shall be subject to the continuing supervision and monitoring of the Secretary and shall not be governed by the provisions of any other law, or any regulations prescribed thereunder, that are inconsistent with this section or section 4103A or 4104 of this title.

(2)(A) A State shall submit to the Secretary an application for a grant or contract under subsection (b)(5). The application shall contain the following information:

(i) A plan that describes the manner in which the State shall furnish employment, training, and placement services required under this chapter for the program year, including a description of—

(I) duties assigned by the State to disabled veterans' outreach program specialists and local veterans' employment representatives consistent with the requirements of sections 4103A and 4104 of this title; and

(II) the manner in which such specialists and representatives are integrated in the employment service delivery systems in the State.

(ii) The veteran population to be served.

(iii) Such additional information as the Secretary may require to make a determination with respect to awarding a grant or contract to the State.

(B)(i) Subject to the succeeding provisions of this subparagraph, of the amount available under subsection (b)(5) for a fiscal year, the Secretary shall make available to each State with an application approved by the Secretary an amount of funding in proportion to the number of veterans seeking employment using such criteria as the Secretary may establish in regulation, including civilian labor force and unemployment data, for the State on an annual basis. The proportion of funding shall reflect the ratio of—

(I) the total number of veterans residing in the State that are seeking employment; to

(II) the total number of veterans seeking employment in all States.

(ii) The Secretary shall phase in over the three fiscal-year period that begins on October 1, 2002, the manner in which amounts are made available to States under subsection (b)(5) and this subsection, as amended by the Jobs for Veterans Act.

(iii) In carrying out this paragraph, the Secretary may establish minimum funding levels and hold-harmless criteria for States.

(3)(A) As a condition of a grant or contract under this section for a program year, in the case of a State that the Secretary determines has an entered-employment rate for veterans that is deficient for the preceding program year, the State shall develop and implement a corrective action plan to improve that rate for veterans in the State. The State shall submit the corrective action plan to the Secretary.

(B) To carry out subparagraph (A), the Secretary shall establish in regulations a uniform national threshold entered-employment rate for veterans for a program year by which determinations of deficiency may be made under subparagraph (A).

(C) In making a determination with respect to a deficiency under subparagraph (A), the Secretary shall take into account the applicable annual unemployment data for the State and consider other factors, such as prevailing economic conditions, that affect performance of individuals providing employment, training, and placement services in the State.

(4) In determining the terms and conditions of a grant or contract under which funds are made available to a State in order to carry out section 4103A or 4104 of this title, the Secretary shall take into account—

(A) the results of reviews, carried out pursuant to subsection (b)(7), of the performance of the employment, training, and placement service delivery system in the State, and

(B) the monitoring carried out under this section.

(5) Each grant or contract by which funds are made available to a State shall contain a provision requiring the recipient of the funds—

(A) to comply with the provisions of this chapter; and

(B) on an annual basis, to notify to Secretary of, and provide supporting rationale for, each nonveteran who is employed as a disabled veterans' outreach program specialist and local veterans' employment representative for a period in excess of 6 months.

(6) Each State shall coordinate employment, training, and placement services furnished to veterans and eligible persons under this chapter with such services furnished with respect to such veterans and persons under the Workforce Investment Act of 1998 and the Wagner-Peyser Act.

(d) PARTICIPATION IN OTHER FEDERALLY FUNDED JOB TRAINING PROGRAMS.—The Assistant Secretary of Labor for Veterans' Employment and Training shall promote and monitor participation of qualified veterans and eligible persons in employment and training opportunities under title I of the Workforce Investment Act of 1998 and other federally funded employment and training programs.

(e) REGIONAL ADMINISTRATORS.—(1) The Secretary shall assign to each region for which the Secretary operates a regional office a representative of the Veterans' Employment and Training Service to serve as the Regional Administrator for Veterans' Employment and Training in such region. A person may not be assigned after October 9, 1996, as such a Regional Administrator unless the person is a veteran.

(2) Each such Regional Administrator shall carry out such duties as the Secretary may require to promote veterans employment and reemployment within the region that the Administrator serves.

(f) ESTABLISHMENT OF PERFORMANCE STANDARDS AND OUTCOMES MEASURES.—(1) By not later than 3 months after the date of the enactment of this section, the Assistant Secretary of Labor for Veterans' Employment and Training shall establish and implement a comprehensive performance accountability system to measure the performance of employment service delivery systems, disabled veterans' outreach program specialists, and local veterans' employment

representatives providing employment, training, and placement services under this chapter in a State to provide accountability of that State to the Secretary for purposes of subsection (c).

(2) Such standards and measures shall—

(A) be consistent with State performance measures applicable under section 136(b) of the Workforce Investment Act of 1998; and

(B) be appropriately weighted to provide special consideration for placement of (i) veterans requiring intensive services (as defined in section 4101(9) of this title), such as special disabled veterans and disabled veterans, and (ii) veterans who enroll in readjustment counseling under section 1712A of this title.

§4103. Directors and Assistant Directors for Veterans' Employment and Training; Additional Federal personnel

(a) DIRECTORS AND ASSISTANT DIRECTORS.—(1) The Secretary shall assign to each State a representative of the Veterans' Employment and Training Service to serve as the Director for Veterans' Employment and Training, and shall assign full-time Federal clerical or other support personnel to each such Director.

(2) Full-time Federal clerical or other support personnel assigned to Directors for Veterans' Employment and Training shall be appointed in accordance with the provisions of title 5 governing appointments in the competitive service and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5.

(b) ADDITIONAL FEDERAL PERSONNEL.—The Secretary may also assign as supervisory personnel such representatives of the Veterans' Employment and Training Service as the Secretary determines appropriate to carry out the employment, training, and placement services required under this chapter, including Assistant Directors for Veterans' Employment and Training.

§4103A. Disabled veterans' outreach program

[(a)(1)] The amount of funds made available for use in a State under section 4102A(b)(5)(A)(i) of this title shall be sufficient to support the appointment of one disabled veterans' outreach program specialist for each 7,400 veterans who are between the ages of 20 and 64 residing in such State. Each such specialist shall be a qualified veteran. Preference shall be given in the appointment of such specialists to qualified disabled veterans. If the Secretary finds that no qualified disabled veteran is available for such appointment, such appointment may be given to any qualified veteran. Each such specialist shall be compensated at rates comparable to those paid other professionals performing essentially similar duties in the State government of the State concerned.

[(2)] Specialists appointed pursuant to this subsection shall be in addition to and shall not supplant employees assigned to local employment service offices pursuant to section 4104 of this title.

[(b)(1)] Pursuant to regulations prescribed by the Secretary of Labor, disabled veterans' outreach program specialists shall be assigned only those duties directly related to meeting the employment needs of eligible veterans, with priority for the provision of services in the following order:

[(A) Services to special disabled veterans.

[(B) Services to other disabled veterans.

[(C) Services to other eligible veterans in accordance with priorities determined by the Secretary taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of this title.

In the provision of services in accordance with this paragraph, maximum emphasis in meeting the employment needs of veterans shall be placed on assisting economically or educationally disadvantaged veterans.

[(2) Not more than three-fourths of the disabled veterans' outreach program specialists in each State shall be stationed at local employment service offices in such State. The Secretary, after consulting the Secretary of Veterans Affairs and the Director for Veterans' Employment and Training assigned to a State under section 4103 of this title, may waive the limitation in the preceding sentence for that State so long as the percentage of all disabled veterans' outreach program specialists that are stationed at local employment service offices in all States does not exceed 80 percent. Specialists not so stationed shall be stationed at centers established by the Department of Veterans Affairs to provide a program of readjustment counseling pursuant to section 1712A of this title, veterans assistance offices established by the Department of Veterans Affairs pursuant to section 7723 of this title, and such other sites as may be determined to be appropriate in accordance with regulations prescribed by the Secretary after consultation with the Secretary of Veterans Affairs.

[(c) Each disabled veterans' outreach program specialist shall carry out the following functions for the purpose of providing services to eligible veterans in accordance with the priorities set forth in subsection (b) of this section:

[(1) Development of job and job training opportunities for such veterans through contacts with employers, especially small- and medium-size private sector employers.

[(2) Pursuant to regulations prescribed by the Secretary after consultation with the Secretary of Veterans Affairs, promotion and development of apprenticeship and other on-job training positions pursuant to section 3687 of this title.

[(3) The carrying out of outreach activities to locate such veterans through contacts with local veterans organizations, the Department of Veterans Affairs, the State employment service agency and local employment service offices, and community-based organizations.

[(4) Provision of appropriate assistance to community-based groups and organizations and appropriate grantees under other Federal and federally funded employment and training programs including including title I of the Workforce Investment Act of 1998 in providing services to such veterans.

[(5) Provision of appropriate assistance to local employment service office employees with responsibility for veterans in carrying out their responsibilities pursuant to this chapter.

[(6) Consultation and coordination with other appropriate representatives of Federal, State, and local programs (including the program conducted under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note)) for the purpose

of developing maximum linkages to promote employment opportunities for and provide maximum employment assistance to such veterans.

[(7) The carrying out of such other duties as will promote the development of entry-level and career job opportunities for such veterans.

[(8) Development of outreach programs in cooperation with appropriate Department of Veterans Affairs personnel engaged in providing counseling or rehabilitation services under chapter 31 of this title, with educational institutions, and with employers in order to ensure maximum assistance to disabled veterans who have completed or are participating in a vocational rehabilitation program under such chapter.

[(9) Provision of vocational guidance or vocational counseling services, or both, to veterans with respect to veterans' selection of and changes in vocations and veterans' vocational adjustment.

[(10) Provision of services as a case manager under section 14(b)(1)(A) of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note).

[(11) Coordination of employment services with training assistance provided to veterans by entities receiving funds under section 2021 of this title.]

(a) *REQUIREMENT FOR EMPLOYMENT BY STATES OF A SUFFICIENT NUMBER OF SPECIALISTS.*—(1) *Subject to approval by the Secretary, a State shall employ such full- or part-time disabled veterans' outreach program specialists as the State determines appropriate and efficient to carry out intensive services under this chapter to meet the employment needs of eligible veterans with the following priority in the provision of services:*

(A) *Special disabled veterans.*

(B) *Other disabled veterans.*

(C) *Other eligible veterans in accordance with priorities determined by the Secretary taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of this title.*

(2) *In the provision of services in accordance with this subsection, maximum emphasis in meeting the employment needs of veterans shall be placed on assisting economically or educationally disadvantaged veterans.*

(b) *REQUIREMENT FOR QUALIFIED VETERANS.*—*A State shall, to the maximum extent practicable, employ qualified veterans to carry out the services referred to in subsection (a). Preference shall be given in the appointment of such specialists to qualified disabled veterans.*

§ 4104. Local veterans' employment representatives

[(a)(1) For any fiscal year, the total of the amount of funds made available for use in the States under section 4102A(b)(5)(A)(ii) of this title shall be sufficient to support the appointment of 1,600 full-time local veterans' employment representatives and the States' administrative expenses associated with the appointment of that number of such representatives and shall be allocated to the several States so that each State receives funding sufficient to support—

[(A) the number of such representatives who were assigned in such State on January 1, 1987, for which funds were provided under this chapter, plus one additional such representative;

[(B) the percentage of the 1,600 such representatives for which funding is not provided under subparagraph (A) of this paragraph which is equal to the average of (i) the percentage of all veterans residing in the United States who reside in such State, (ii) the percentage of the total of all eligible veterans and eligible persons registered for assistance with local employment service offices in the United States who are registered for assistance with local employment service offices in such State, and (iii) the percentage of all full-service local employment service offices in the United States which are located in such State; and

[(C) the State's administrative expenses associated with the appointment of the number of such representatives for which funding is allocated to the State under subparagraphs (A) and (B) of this paragraph.

[(2)(A) The local veterans' employment representatives allocated to a State pursuant to paragraph (1) of this subsection shall be assigned by the administrative head of the employment service in the State, after consultation with the Director for Veterans' Employment and Training for the State, so that as nearly as practical (i) one full-time representative is assigned to each local employment service office at which at least 1,100 eligible veterans and eligible persons are registered for assistance, (ii) one additional full-time representative is assigned to each local employment service office for each 1,500 eligible veterans and eligible persons above 1,100 who are registered at such office for assistance, and (iii) one half-time representative is assigned to each local employment service office at which at least 350 but less than 1,100 eligible veterans and eligible persons are registered for assistance.

[(B) In the case of a service delivery point (other than a local employment service office described in subparagraph (A) of this paragraph) at which employment services are offered under the Wagner-Peyser Act, the head of such service delivery point shall be responsible for ensuring compliance with the provisions of this title providing for priority services for veterans and priority referral of veterans to Federal contractors.

[(3) For the purposes of this subsection, an individual shall be considered to be registered for assistance with a local employment service office during a program year if the individual—

[(A) registered, or renewed such individual's registration, for assistance with the office during that program year; or

[(B) so registered or renewed such individual's registration during a previous program year and, in accordance with regulations which the Secretary shall prescribe, is counted as still being registered for administrative purposes.

[(4) In the appointment of local veterans' employment representatives, preference shall be given to qualified eligible veterans or eligible persons. Preference shall be accorded first to qualified service-connected disabled veterans; then, if no such disabled veteran is available, to qualified eligible veterans; and, if no such eligible veteran is available, then to qualified eligible persons.

[(b) Local veterans' employment representatives shall perform the following functions:

[(1) Functionally supervise the providing of services to eligible veterans and eligible persons by the local employment service staff.

[(2) Maintain regular contact with community leaders, employers, labor unions, training programs, and veterans' organizations for the purpose of (A) keeping them advised of eligible veterans and eligible persons available for employment and training, and (B) keeping eligible veterans and eligible persons advised of opportunities for employment and training.

[(3) Provide directly, or facilitate the provision of, labor exchange services by local employment service staff to eligible veterans and eligible persons, including intake and assessment, counseling, testing, job-search assistance, and referral and placement.

[(4) Encourage employers and labor unions to employ eligible veterans and eligible persons and conduct on-the-job training and apprenticeship programs for such veterans and persons.

[(5) Promote and monitor the participation of veterans in federally funded employment and training programs, monitor the listing of vacant positions with State employment agencies by Federal agencies, and report to the Director for Veterans' Employment and Training for the State concerned any evidence of failure to provide priority or other special consideration in the provision of services to veterans as is required by law or regulation.

[(6) Monitor the listing of jobs and subsequent referrals of qualified veterans as required by section 4212 of this title.

[(7) Work closely with appropriate Department of Veterans Affairs personnel engaged in providing counseling or rehabilitation services under chapter 31 of this title, and cooperate with employers in identifying disabled veterans who have completed or are participating in a vocational rehabilitation training program under such chapter and who are in need of employment.

[(8) Refer eligible veterans and eligible persons to training, supportive services, and educational opportunities, as appropriate.

[(9) Assist, through automated data processing, in securing and maintaining current information regarding available employment and training opportunities.

[(10) Cooperate with the staff of programs operated under section 1712A of this title in identifying and assisting veterans who have readjustment problems and who may need services available at the local employment service office.

[(11) When requested by a Federal or State agency, a private employer, or a service-connected disabled veteran, assist such agency, employer, or veteran in identifying and acquiring prosthetic and sensory aids and devices needed to enhance the employability of disabled veterans.

[(12) Facilitate the provision of guidance or counseling services, or both, to veterans who, pursuant to section 5(b)(3) of the

Veterans' Job Training Act (29 U.S.C. 1721 note), are certified as eligible for participation under such Act; and

[(13) coordinate employment services with training assistance provided to veterans by entities receiving funds under section 2021 of this title.

[(c) Each local veterans' employment representative shall be administratively responsible to the manager of the local employment service office and shall provide reports, not less frequently than quarterly, to the manager of such office and to the Director for Veterans' Employment and Training for the State regarding compliance with Federal law and regulations with respect to special services and priorities for eligible veterans and eligible persons.]

(a) *REQUIREMENT FOR EMPLOYMENT BY STATES OF A SUFFICIENT NUMBER OF REPRESENTATIVES.*—Subject to approval by the Secretary, a State shall employ such full- and part-time local veterans' employment representatives as the State determines appropriate and efficient to carry out employment, training, and placement services under this chapter.

(b) *PRINCIPAL DUTIES.*—As principal duties, local veterans' employment representatives shall—

(1) *conduct outreach to employers in the area to assist veterans in gaining employment, including conducting seminars for employers and, in conjunction with employers, conducting job search workshops and establishing job search groups; and*

(2) *facilitate employment, training, and placement services furnished to veterans in a State under the applicable State employment service delivery systems.*

(c) *PREFERENCE FOR QUALIFIED VETERANS.*—A State shall, to the maximum extent practicable, employ qualified veterans to carry out the services referred to in subsection (a).

(d) *REPORTING.*—Each local veterans' employment representative shall be administratively responsible to the manager of the employment service delivery system and shall provide reports, not less frequently than quarterly, to the manager of such office and to the Director for Veterans' Employment and Training for the State regarding compliance with Federal law and regulations with respect to special services and priorities for eligible veterans and eligible persons.

[§ 4104A. Performance of disabled veterans' outreach program specialists and local veterans' employment representatives

[(a)(1) Subject to paragraph (2) of this subsection, each State employment agency shall develop and apply standards for the performance of disabled veterans' outreach program specialists appointed under section 4103A(a) of this title and local veterans' employment representatives assigned under section 4104(b) of this title.

[(2)(A) Such standards shall be consistent with the duties and functions specified in section 4103A(b) of this title with respect to such specialists and section 4104(b)(1) through (12) of this title with respect to such representatives.

[(B) In developing such standards, the State employment agency—

[(i) shall take into account (I) the prototype developed under paragraph (3) of this subsection, and (II) the comments submitted under clause (ii) of this subparagraph by the Director for Veterans' Employment and Training for the State;

[(ii) shall submit to such Director proposed standards for comment;

[(iii) may take into account the State's personnel merit system requirements and other local circumstances and requirements; and

[(iv) may request the assistance of such Director.

[(C) Such standards shall include as one of the measures of the performance of such a specialist the extent to which the specialist, in serving as a case manager under section 14(b)(1)(A) of the Veterans' Job Training Act (29 U.S.C. 1721 note), facilitates rates of successful completion of training by veterans participating in programs of job training under the Act.

[(3)(A) The Secretary, after consultation with State employment agencies or their representatives, or both, shall provide to such agencies a prototype of performance standards for use by such agencies in the development of performance standards under subsection (a)(1) of this section.

[(B) Each Director for Veterans' Employment and Training—

[(i) shall, upon the request of the State employment agency under paragraph (2)(B)(iv) of this subsection, provide appropriate assistance in the development of performance standards,

[(ii) may, within 30 days after receiving proposed standards under paragraph (2)(B)(ii) of this subsection, provide comments on the proposed standards, particularly regarding the consistency of the proposed standards with such prototype.

[(b)(1) Directors for Veterans' Employment and Training and Assistant Directors for Veterans' Employment and Training shall regularly monitor the performance of the specialists and representatives referred to in subsection (a)(1) of this section through the application of the standards required to be prescribed by subsection (a)(1).

[(2) A Director for Veterans' Employment and Training for a State may submit to the head of the employment service in the State recommendations and comments in connection with each annual performance rating of such specialists and representatives in the State.]

* * * * *

§4106. Estimate of funds for administration; authorization of appropriations

(a) The Secretary shall estimate the funds necessary for the proper and efficient administration of this chapter and chapters 42 and 43 of this title. Such estimated sum shall include the annual amounts necessary for salaries, rents, printing and binding, travel, and communications. Sums thus estimated shall be included as a special item in the annual budget for the Department of Labor. Estimated funds necessary for [proper counseling] *proper intensive services*, placement, and training services to eligible veterans and eligible persons provided by the various State public employment service agencies shall each be separately identified in the budgets of those agencies as approved by the Department of Labor. Funds

estimated pursuant to the first sentence of this subsection shall include amounts necessary in all of the States for the purposes specified in paragraph (5) of section 4102A(b) of this title and to fund the National Veterans' Employment and Training Services Institute under section 4109 of this title and shall be approved by the Secretary only if the level of funding proposed is in compliance with such sections. [Each budget submission with respect to such funds shall include separate listings of the amount for the National Veterans' Employment and Training Services Institute and of the proposed numbers, by State, of disabled veterans' outreach program specialists appointed under section 4103A of this title and local veterans' employment representatives assigned under section 4104 of this title, together with information demonstrating the compliance of such budget submission with the funding requirements specified in the preceding sentence.] *Each budget submission with respect to such funds shall include a separate listing of the amount for the National Veterans' Employment and Training Services Institute together with information demonstrating the compliance of such budget submission with the funding requirements specified in the preceding sentence.*

(b)(1) There are authorized to be appropriated such sums as may be necessary for the proper and efficient administration of this chapter.

(2) *In addition to amounts appropriated pursuant to the authorization under paragraph (1), there are authorized to be appropriated to the Secretary to carry out the program of performance incentive awards under section 4112 of this title the following:*

(A) *For the program year beginning during fiscal year 2004, \$10,000,000.*

(B) *For the program year beginning during fiscal year 2005, \$25,000,000.*

(C) *For the program year beginning during fiscal year 2006, \$50,000,000.*

(D) *For the program year beginning during fiscal year 2007, \$75,000,000.*

(E) *For the program year beginning during fiscal year 2008, \$100,000,000.*

(F) *For the program year beginning during fiscal year 2009 and each subsequent fiscal year, such sums as are necessary.*

* * * * *

§ 4107. Administrative controls; annual report

(a) The Secretary shall establish administrative controls for the following purposes:

(1) To insure that each eligible veteran, especially veterans of the Vietnam era and disabled veterans and each eligible person, who requests assistance under this chapter shall promptly be placed in a satisfactory job or job training opportunity or receive some other specific form of assistance designed to enhance such veteran's and eligible person's employment prospects substantially, such as individual job development or [employment counseling services] *intensive services.*

* * * * *

(b) **【The Secretary shall establish definitive performance standards】** *The Secretary shall apply performance standards established under section 4102A(f) of this title for determining compliance by the State public employment service agencies with the provisions of this chapter and chapter 42 of this title. 【A full report as to the extent and reasons for any noncompliance by any such State agency during any fiscal year, together with the agency's plan for corrective action during the succeeding year, shall be included in the annual report of the Secretary of Labor required by subsection (c) of this section.】 Not later than February 1 of each year, the Secretary shall report to the Committees on Veterans' Affairs of the Senate and the House of Representatives on the performance of States and organizations and entities carrying out employment, training, and placement services under this chapter, as measured under subsection (b)(7) of section 4102A of this title. In the case of a State that the Secretary determines has not met the minimum standard of performance (established by the Secretary under subsection (f) of such section), the Secretary shall include an analysis of the extent and reasons for the State's failure to meet that minimum standard, together with the State's plan for corrective action during the succeeding year.*

(c) Not later than February 1 of each year, the Secretary shall report to the Committees on Veterans' Affairs of the Senate and the House of Representatives on the success during the preceding program year of the Department of Labor and its affiliated State employment service agencies in carrying out the provisions of this chapter and programs for the provision of employment and training services to meet the needs of eligible veterans and eligible persons. The report shall include—

(1) specification, by State and by age group, of the numbers of eligible veterans, **【veterans of the Vietnam era,】** disabled veterans, special disabled veterans, **【and eligible persons who registered for assistance with】** *eligible persons, recently separated veterans (as defined in section 4211(6) of this title), and servicemembers transitioning to civilian careers who registered for assistance with, or who are identified as veterans by, the public employment service system and, for each of such categories, the numbers referred to and placed in permanent and other jobs, the numbers referred to and placed in jobs and job training programs supported by the Federal Government, 【the number counseled】 the number who received intensive services, and the number who received some, and the number who received no, reportable service;*

(2) a comparison of **【the job placement rate】** *the rate of entered employment (as determined in a manner consistent with State performance measures applicable under section 136(b) of the Workforce Investment Act of 1998) for each of the categories of veterans and persons described in clause (1) of this subsection with 【the job placement rate】 such rate of entered employment (as so determined) for nonveterans of the same age groups registered for assistance with the public employment system in each State;*

* * * * *

(4) a report on activities carried out during the preceding program year under [sections 4103A and 4104] *section 4212(d)* of this title; [and]

(5) a report on the operation during the preceding program year of programs for the provision of employment and training services designed to meet the needs of eligible veterans and eligible persons, including an evaluation of the effectiveness of such programs during such program year in meeting the requirements of section 4102A(b) of this title, the efficiency with which services were provided through such programs during such year, and such recommendations for further legislative action [(including the need for any changes in the formulas governing the appointment of disabled veterans' outreach program specialists under section 4103A(a)(2) of this title and the assignment of local veterans' employment representatives under section 4104(b) of this title and the allocation of funds for the support of such specialists and representatives)] relating to veterans' employment and training as the Secretary considers appropriate[.]; and

(6) *a report on the operation during the preceding program year of the program of performance incentive awards for quality employment services under section 4112 of this title, including an analysis of the amount of incentives distributed to each State and the rationale for such distribution.*

* * * * *

§ 4109. National Veterans' Employment and Training Services Institute

(a) In order to provide for such training as the Secretary considers necessary and appropriate for the efficient and effective provision of employment, job-training, [counseling,] *intensive services*, placement, job-search, and related services to veterans, the Secretary shall establish and make available such funds as may be necessary to operate a National Veterans' Employment and Training Services Institute for the training of disabled veterans' outreach program specialists, local veterans' employment representatives, Directors for Veterans' Employment and Training, and Assistant Directors for Veterans' Employment and Training, Regional Administrators for Veterans' Employment and Training, and such other personnel involved in the provision of employment, job-training, [counseling,] *intensive services*, placement, or related services to veterans as the Secretary considers appropriate, including travel expenses and per diem for attendance at the Institute.

* * * * *

(c)(1) *Nothing in this section shall be construed as preventing the Institute to enter into contracts or agreements with departments or agencies of the United States or of a State, or with other organizations, to carry out training of personnel of such departments, agencies, or organizations in the provision of services referred to in subsection (a).*

(2) *All proceeds collected by the Institute under a contract or agreement referred to in paragraph (1) shall be applied to the applicable appropriation.*

* * * * *

§4112. Performance incentive awards for quality employment, training, and placement services

(a) *PROGRAM OF PERFORMANCE INCENTIVE AWARDS.—(1) The Secretary shall carry out a program, consistent with the provisions of this section, of performance incentive awards to States to encourage the improvement and modernization of employment, training, and placement services provided under this chapter. The Secretary shall carry out the program through the Assistant Secretary of Labor for Veterans' Employment and Training.*

(2) *The Secretary shall make performance incentive awards for each program year, beginning with the program year that begins in fiscal year 2004, with respect to services provided under this chapter during the preceding program year.*

(b) *CRITERIA FOR ELIGIBILITY FOR AWARDS.—The Secretary shall establish criteria for eligibility for performance incentive awards for purposes of this section in consultation with representatives of States, political subdivisions of States, and other providers of employment, training, and placement services under the Workforce Investment Act of 1998 consistent with the performance measures established under section 4102A(b)(7) of this title.*

(c) *DETERMINATION OF AMOUNT OF AWARD.—(1) The Secretary shall determine the amount of performance incentive awards in a State under this section by measuring the performance of the State in providing employment, training, and placement services furnished veterans and eligible persons in each State through employment service delivery systems, through disabled veterans' outreach program specialists, and through local veterans' employment representatives during the previous program year based on the measures of performance established under section 4102A(b)(7) of this title.*

(2) *In determining the amount of awards under paragraph (1), the Secretary shall—*

(A) *provide greater amounts to those States which the Secretary determines furnished, during the preceding fiscal year, the highest quality employment, training, and placement services based on measures of performance;*

(B) *provide awards to those States that have made significant improvements in the delivery of such services, as determined by the Secretary, but do not meet the criteria under subparagraph (A); and*

(C) *consider the applicable annual unemployment data for the State and other factors, such as prevailing economic conditions, that affect performance of individuals providing employment, training, and placement services in the State.*

(d) *USE OF AWARD.—Amounts received by a State under this section may be used—*

(1) *to hire additional State veterans employment and training staff; or*

(2) *for such other purposes related to the provision of employment, placement, and training services as the Secretary may ap-*

prove for such services furnished under this chapter to veterans and eligible persons.

(e) *RELATIONSHIP OF AWARD TO GRANT AMOUNTS OR OTHER COMPENSATION.*—A performance incentive award under this section is in addition to amounts made available to a State under section 4102A(b)(5) of this title.

(f) *AVAILABILITY FOR OBLIGATION.*—Amounts received in a performance incentive award under this section may be obligated by the State during the program year in which the award was received and the subsequent program year.

(g) *APPROPRIATIONS.*—The Secretary shall carry out the program under this section from amounts appropriated pursuant to the authorization under section 4106(b)(2) of this title. Such amounts shall only be available to carry out the program under this section.

CHAPTER 42—EMPLOYMENT AND TRAINING OF VETERANS

Sec.
4211. Definitions.

* * * * *

4215. *Priority of service for veterans in Department of Labor job training programs.*

§ 4211. Definitions

As used in this chapter—

(1) * * *

* * * * *

(6) The term “recently separated veteran” means any veteran during the **[one-year]** *three-year* period beginning on the date of such veteran’s discharge or release from active duty.

§ 4212. Veterans’ employment emphasis under Federal contracts

[(a)] Any contract in the amount of \$25,000 or more entered into by any department or agency for the procurement of personal property and nonpersonal services (including construction) for the United States, shall contain a provision requiring that the party contracting with the United States shall take affirmative action to employ and advance in employment qualified special disabled veterans, veterans of the Vietnam era, recently separated veterans, and any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized. The provisions of this section shall apply to any sub-contract entered into by a prime contractor in carrying out any contract for the procurement of personal property and non-personal services (including construction) for the United States. In addition to requiring affirmative action to employ such veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the President shall implement the provisions of this section by promulgating regulations which shall require that (1) each such contractor undertake in such contract to list immediately with the appropriate local employment service office all of its employment openings except that the contractor may

exclude openings for executive and top management positions, positions which are to be filled from within the contractor's organization, and positions lasting three days or less, and (2) each such local office shall give such veterans priority in referral to such employment openings.】

(a)(1) *Any contract in the amount of \$100,000 or more entered into by any department or agency of the United States for the procurement of personal property and nonpersonal services (including construction) for the United States, shall contain a provision requiring that the party contracting with the United States take affirmative action to employ and advance in employment qualified covered veterans. This section applies to any subcontract entered into by a prime contractor in carrying out any such contract.*

(2) *In addition to requiring affirmative action to employ such qualified covered veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the Secretary of Labor shall prescribe regulations requiring that—*

(A) *each such contractor for each such contract shall immediately list all of its employment openings with the appropriate employment service delivery system (as defined in section 4101(7) of this title), and may also list such openings with one-stop career centers under the Workforce Investment Act of 1998, other appropriate service delivery points, or America's Job Bank (or any additional or subsequent national electronic job bank established by the Department of Labor), except that the contractor may exclude openings for executive and senior management positions and positions which are to be filled from within the contractor's organization and positions lasting three days or less;*

(B) *each such employment service delivery system shall give such qualified covered veterans priority in referral to such employment openings; and*

(C) *each such employment service delivery system shall provide a list of such employment openings to States, political subdivisions of States, or any private entities or organizations under contract to carry out employment, training, and placement services under chapter 41 of this title.*

(3) *In this section:*

(A) *The term "covered veteran" means any of the following veterans:*

(i) *Disabled veterans.*

(ii) *Veterans who served on active duty in the Armed Forces during a war or in a campaign or expedition for which a campaign badge has been authorized.*

(iii) *Veterans who, while serving on active duty in the Armed Forces, participated in a United States military operation for which an Armed Forces service medal was awarded pursuant to Executive Order 12985 (61 Fed. Reg. 1209).*

(iv) *Recently separated veterans.*

(B) *The term "qualified", with respect to an employment position, means having the ability to perform the essential functions of the position with or without reasonable accommodation for an individual with a disability.*

* * * * *

(c) The Secretary of Labor shall include as part of the annual report required by section 4107(c) of this title the number of complaints filed pursuant to subsection (b) of this section, the actions taken thereon and the resolutions thereof. Such report shall also include the number of contractors listing [suitable] employment openings, the nature, types, and number of positions listed and the number of veterans receiving priority pursuant to [subsection (a)(2) of this section] *subsection (a)(2)(B)*.

(d)(1) Each contractor to whom subsection (a) [of this section] applies shall, in accordance with regulations which the Secretary of Labor shall prescribe, report at least annually to the Secretary of Labor on—

[(A) the number of employees in the work force of such contractor, by job category and hiring location, who are special disabled veterans, veterans of the Vietnam era, recently separated veterans, or other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized;

[(B) the total number of new employees hired by the contractor during the period covered by the report and the number of such employees who are special disabled veterans, veterans of the Vietnam era, recently separated veterans, or other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized; and]

(A) the number of employees in the work force of such contractor, by job category and hiring location, and the number of such employees, by job category and hiring location, who are qualified covered veterans;

(B) the total number of new employees hired by the contractor during the period covered by the report and the number of such employees who are qualified covered veterans; and

* * * * *

(2) The Secretary of Labor shall ensure that the administration of the reporting requirement under paragraph (1) [of this subsection] is coordinated with respect to any requirement for the contractor to make any other report to the Secretary of Labor.

* * * * *

§ 4214. Employment within the Federal Government

(a)(1) The United States has an obligation to assist veterans of the Armed Forces in readjusting to civilian life since veterans, by virtue of their military service, have lost opportunities to pursue education and training oriented toward civilian careers. The Federal Government is also continuously concerned with building an effective, *competent* work force, and veterans constitute a [major] *uniquely qualified* recruiting source. It is, therefore, the policy of the United States and the purpose of this section to promote the maximum of employment and job advancement opportunities within the Federal Government for [disabled veterans and certain veterans of the Vietnam era and of the post-Vietnam era] *qualified covered veterans (as defined in paragraph (2)(B))* who are qualified for such employment and advancement.

[(2) For the purposes of this section, the term “agency” means a department, agency, or instrumentality in the executive branch.]

(2) *In this section:*

(A) *The term “agency” has the meaning given the term “department or agency” in section 4211(5) of this title.*

(B) *The term “qualified covered veteran” means a veteran described in section 4212(a)(3) of this title.*

(b)(1) To further the policy stated in subsection (a) of this section, veterans referred to in paragraph (2) of this subsection shall be eligible, in accordance with regulations which the Office of Personnel Management shall prescribe, for veterans [readjustment] *recruitment* appointments, and for subsequent career-conditional appointments, under the terms and conditions specified in Executive Order Numbered 11521 (March 26, 1970), except that—

(A) * * *

* * * * *

(2) This subsection applies [to—

[(A) a veteran of the Vietnam era; and

[(B) veterans who first became a member of the Armed Forces or first entered on active duty as a member of the Armed Forces after May 7, 1975, and were discharged or released from active duty under conditions other than dishonorable.] *to qualified covered veterans.*

(3)[(A) Except as provided in subparagraph (C) of this paragraph, a veteran of the Vietnam era may receive an appointment under this section only during the period ending—

[(i) 10 years after the date of the veteran’s last discharge or release from active duty; or

[(ii) December 31, 1995,

whichever is later.

[(B) Except as provided in subparagraph (C) of this paragraph, a veteran described in paragraph (2)(B) of this subsection may receive such an appointment only within the 10-year period following the later of—

[(i) the date of the veteran’s last discharge or release from active duty; or

[(ii) December 31, 1989.]

(A) *Except as provided in subparagraph (B), a qualified covered veteran may receive such an appointment only within the 10-year period that begins on the date of the veteran’s last discharge or release from active duty.*

[(C) The limitations of subparagraphs (A) and (B)] (B) *The limitation of subparagraph (A) of this paragraph shall not apply to a veteran who has a service-connected disability rated at 30 percent or more.*

[(D)] (C) For purposes of [clause (i) of subparagraphs (A) and (B) of this paragraph] *subparagraph (A)*, the last discharge or release from active duty shall not include any discharge or release from active duty of less than ninety days of continuous service unless the individual involved is discharged or released for a service-connected disability, for a medical condition which preexisted such service and which the Secretary determines is not service connected, for hardship, or as a result of a reduction in force described

in section 3011(a)(1)(A)(ii)(III) of this title or of an involuntary separation described in section 3018A(a)(1).

* * * * *

(e)(1) * * *

(2) Information shown for an agency under clauses (A) through (D) of paragraph (1) of this subsection—

(A) * * *

(B) shall be shown separately (i) for veterans [of the Vietnam era] who are entitled to disability compensation under the laws administered by the Secretary or whose discharge or release from active duty was for a disability incurred or aggravated in line of duty, and (ii) for other veterans.

* * * * *

(g) To further the policy stated in subsection (a) of this section, the Secretary may give preference to [qualified special disabled veterans and qualified veterans of the Vietnam era] *qualified covered veterans* for employment in the Department as veterans' benefits counselors and veterans' claims examiners and in positions to provide the outreach services required under section 7722 of this title, to serve as veterans' representatives at certain educational institutions as provided in section 7724 of this title, or to provide readjustment counseling under section 1712A of this title to veterans of the Vietnam era.

§4215. Priority of service for veterans in Department of Labor job training programs

(a) *DEFINITIONS.—In this section:*

(1) *The term “covered person” means any of the following individuals:*

(A) *A veteran.*

(B) *The spouse of any of the following individuals:*

(i) *Any veteran who died of a service-connected disability.*

(ii) *Any member of the Armed Forces serving on active duty who, at the time of application for assistance under this section, is listed, pursuant to section 556 of title 37 and regulations issued thereunder, by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than 90 days: (I) missing in action, (II) captured in line of duty by a hostile force, or (III) forcibly detained or interned in line of duty by a foreign government or power.*

(iii) *Any veteran who has a total disability resulting from a service-connected disability.*

(iv) *Any veteran who died while a disability so evaluated was in existence.*

(2) *The term “qualified job training program” means any workforce preparation, development, or delivery program or service that is directly funded, in whole or in part, by the Department of Labor and includes the following:*

(A) *Any such program or service that uses technology to assist individuals to access workforce development programs (such as job and training opportunities, labor mar-*

ket information, career assessment tools, and related support services).

(B) Any such program or service under the public employment service system, one-stop career centers, the Workforce Investment Act of 1998, a demonstration or other temporary program, and those programs implemented by States or local service providers based on Federal block grants administered by the Department of Labor.

(C) Any such program or service that is a workforce development program targeted to specific groups.

(3) The term "priority of service" means, with respect to any qualified job training program, that a covered person shall be given priority over nonveterans for the receipt of employment, training, and placement services provided under that program, notwithstanding any other provision of law.

(b) **ENTITLEMENT TO PRIORITY OF SERVICE.**—(1) A covered person is entitled to priority of service under any qualified job training program if the person otherwise meets the eligibility requirements for participation in such program.

(2) The Secretary of Labor may establish priorities among covered persons for purposes of this section to take into account the needs of disabled veterans and special disabled veterans, and such other factors as the Secretary determines appropriate.

(c) **ADMINISTRATION OF PROGRAMS AT STATE AND LOCAL LEVELS.**—An entity of a State or a political subdivision of the State that administers or delivers services under a qualified job training program shall—

(1) provide information and priority of service to covered persons regarding benefits and services that may be obtained through other entities or service providers; and

(2) ensure that each covered person who applies to or who is assisted by such a program is informed of the employment-related rights and benefits to which the person is entitled under this section.

(d) **ADDITION TO ANNUAL REPORT.**—In the annual report required under section 4107(c) of this title for the program year beginning in 2002 and each subsequent program year, the Secretary of Labor shall evaluate whether covered persons are receiving priority of service and are being fully served by qualified job training programs, and whether the levels of service of such programs are in proportion to the incidence of representation of veterans in the labor market, including within groups that the Secretary may designate for priority under such programs, if any.

* * * * *